

NEWS SUMMARY

GENERAL BUSINESS

U.S. cabinet meets on pipeline
Senior U.S. Cabinet members met yesterday to decide the next move in the confrontation with France over U.S. sanctions against building the Siberian gas pipeline.

Argentina fears
Argentine Economy Minister Domingo Pastore resigned, raising the prospect of another political crisis.

Police sacked
More than 300 Indian policemen have been sacked following police demonstrations in Bombay and Hyderabad last week in which five people died.

Cough deaths
Four babies have died of whooping cough this year. Over 31,000 people have suffered from it this year, up from 9,000 in the same period last year.

Microlights down
The Civil Aviation Authority grounded all Scorpion microlight aircraft made by Southern Aerospots after a fatal crash on Monday.

32 questioned
Murder squad detectives last night were still questioning 32 people arrested in raids in London yesterday after a big security operation.

Extradition claim
Police denied a report that they were dropping extradition proceedings against Patricia Ford, girlfriend of escaped Broadmoor killer Alan Reeve, in the Netherlands.

Yacht honoured
Urania, a Dutch Navy yacht, won the Cutty Sark Trophy for sacrificing its chances in the Tall Ships race to stop and help a ship in difficulties.

Sunday trade call
The Consumers Association backed legal amendments to let shops stay open on Sunday and at night.

Leader arrested
Socialist opposition president Abel Goumba was arrested by the Central African Republic military government.

Champion banned
West German motorcycle champion Hagen Klein was banned from racing for walking off the winner's podium during the country's national anthem, to protest at unemployment.

Hero Honecker
Moscow named East German leader Erich Honecker Hero of the Soviet Union, the highest Soviet honour, to mark his 70th birthday today.

Briefly...
Sony president Kazuo Iwama died in Tokyo at 63. Prince Edward passed three A levels.

Dr Stanford Moore, Nobel Chemistry prizewinner, 68, died in New York. Forest fires flared up again in south-east France. Mosquito swarms hit Venice. Mrs Thatcher resumed paper work, 24 hours after surgery on her legs.

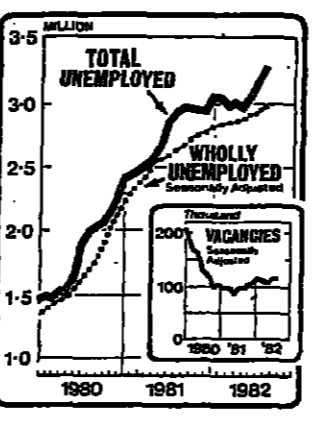
CHIEF PRICE CHANGES YESTERDAY

Table with columns for various commodities and their price changes. Includes items like European Ferries, Good Relations, Whittowrth Elec, etc.

Unemployment grows faster as underlying total reaches 2.99m

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

UNEMPLOYMENT is now rising at a substantially faster rate than in the spring and reached an underlying figure of 2.99m in August, according to figures out yesterday.



The August total dashed hopes lingering from the spring through to July that the underlying trend might be continuing to improve. The grim figures immediately provoked demands from some Conservative MPs as well as from the Labour Party and the TUC for the Government to reflate the economy.

Mr Eric Varley the Labour employment spokesman called for a major reflation programme using nationalised industries and local authorities as a "spearhead" to bring down unemployment. An indication of the back bench Conservative pressure which will be put on the Government came from Mr Jim Lester, MP for Beeston and former Conservative Employment Minister. He called for an autumn budget with measures to boost business confidence.

He urged a cut in the National Insurance Surcharge, an expansion of the Community Work Scheme and an increase in tax thresholds this autumn. He said: "By gradually introducing more demand into the economy one can start to stimulate some movement."

Dr David Owen, spokesman for the Social Democratic Party predicted that the unemployment figures would be the "obituary of the present Government", and even the Institute of Directors, one of the Government's staunchest allies, called for a special programme to cut unemployment. Yesterday's figures showed that the total registered as unemployed, including school-leavers, rose in August to 3.29m - 13.8 per cent of the working population. The underlying figure of nearly 3m, seasonally adjusted and excluding school-leavers, represents one in eight of the workforce.

Oil trade increases current account surplus to £316m

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S current account surplus on the balance of payments increased sharply in July to an estimated £316m, but a large part of this was attributable to an increased surplus on oil trade.

Table titled 'BALANCE OF PAYMENTS (current account) fm seasonally adjusted'. It shows data for Oil, Visible, and Invisible trade from 1981 Q1 to 1982 Q2. Oil trade shows a significant surplus, while Visible trade shows a deficit.

The underlying trend of exports and imports has been worsening slightly, according to figures published yesterday by the Department of Trade. The average volume of imports in the three months to July was 3 per cent higher than the average for the same three months and the average volume of exports declined by 1.5 per cent in the same period.

If oil and erratic items are excluded the same pattern of higher imports and lower exports emerges. In the first seven months of this year the current account surplus has reached a total of £1.55bn compared with a total of between £7bn and £8bn last year. The surplus on oil in July was £401m and the oil surplus in the first seven months of the year is over £2bn. There was a 2 per cent fall, however, in the volume of exports of manufactured goods in the three months to July compared with the previous three months, although there was a 21 per cent increase in exports of cars between these two periods.

Imports of cars were down 14 per cent over the period but overall the volume of imports of manufactured goods rose by 5 per cent. The trade figures are still incomplete because of the non-collection of import and export statistics during the civil servants' dispute last year. The series has been difficult to interpret partly as a result of the civil servants' action and partly because of changes in procedures. But the latest figures appear to confirm the underlying pattern of increasing imports and rather disappointing exports that had emerged from previous figures.

The volume of imports in July was, however, substantially below the levels recorded in the spring. This would be consistent with the view that industry has not continued the rebuilding of stocks which appeared to have started in the spring and may now be entering a further period of destocking. The figures showing a lower volume of exports in July than in previous months also tend to support the indication from the Confederation of British Industry's most recent survey that export orders were weaker. W. German current account deficit narrows, Page 2 Balance of Trade table, Page 6

Bank cuts money market rates

By Our Foreign and Financial Staff

THE PRICE of gold jumped through the \$400 level yesterday and sterling rose by more than 2 cents against the dollar as the Bank of England signalled that it would like to see another fall in UK bank base rates. The Bank cut its money market intervention rates by 1/4 of a percentage point—the first cut in a week—raising hopes of a bank base rate cut. Its action coincided with signs that the recent recovery in some sectors of the world's stock markets was faltering.

On Wall Street, the Dow Jones Industrial Average was down 7.6 by mid-afternoon. Trading was heavy with 109m shares changing hands by noon after lunch. The UK gilt-edged market suffered its first setback for several days. However, falls of up to 1/2 were reduced following the Bank of England's action to cut interest rates, and the FT Government Securities index ended 0.4 down at 78.52. Equities were also soft, with the FT 30-share index falling 5.5 to 571.0.

Gold continued its recent strong rise, jumping \$18 an ounce in London to \$411.5, its highest since last December. The gold price has risen \$79 in the last 10 trading days and \$54.5 this week alone. The dollar fell sharply against all major currencies as expectations grew of a cut in the U.S. discount rate. The pound jumped 2.10 cents to \$1.7675 at the London close and the dollar dropped more than 10¢ to 166.45.

European interest rates were marginally firmer—three-month Eurodollars rose nearly 1/2 of a percentage point to 10 1/2 per cent and Eurofranc rates were up by more than a full percentage point. The reduction in the Bank of England's dealing rates by 1/4 of a percentage point—lowering the key rate for the shortest maturity paper it buys (hand one bills) to 11 1/2 per cent—caught the UK money markets by surprise. It occurred on a day when UK money rates were marginally firmer, with the three-month rate up 1/2 of a point to 10 1/2 per cent.

Lebanese peace broken by armed clashes

BY STEWART DALBY AND NORA BOUSTANY IN BEIRUT

FIERCE fighting was reported in Lebanon yesterday north of the Beirut-Damascus highway and around Tripoli. Beirut radio claimed the exchanges were between Syrians and Israelis. But the Israeli army said none of its troops were involved and that the clashes were between Syrian and Lebanese Christian Fialan-gist forces.

Yesterday's fighting puts doubt on plans that the first convoy of Palestinian Liberation Organisation fighters would leave overland for Damascus tomorrow along the same road, through Israeli lines. Last night, more Lebanese parliamentary deputies' houses were attacked, bringing the number of houses involved in the assault to 15. The houses of five deputies were attacked with rocket propelled grenades and recoilless rifles on Monday after 34-year-old Mr Bachir Gemayel was elected as President of Lebanon for a six-year term.

Mr Gemayel's leader of the "Lebanese forces" and a main figure in the Christian Phalange Party dominated by his father, Mr Pierre Gemayel. Although by tradition the Lebanese President is always a Christian, Mr Gemayel's assumption of the role has caused apprehension in Moslem quarters because of his background as a Christian militia leader, and his links with Israel.

Leading Sunni Moslem moderates are worried both about technicalities of the election and about whether Mr Gemayel will make enough conciliatory gestures to predominantly Moslem West Beirut when he takes over the Presidency. Mr Gemayel's first crucial test in soothing Moslem fears will come when he assumes the Presidency and has to find a Sunni Moslem prime minister. According to tradition, the Prime Minister must be a Sunni. It is thought that he has already earmarked Dr Mohamed Moghrabi, a right-wing Moslem lawyer. However, there are doubts as to whether Dr Moghrabi has sufficient standing in various Moslem communities to support Mr Gemayel's Presidency. Should Mr Gemayel fail to find the right prime minister, he could face continued opposition.

Home banking service on Prestel considered

BY GUY DE JONQUIERES

BRITISH TELECOM is considering a plan to launch the first electronic home banking service this autumn. It would be carried on Prestel, BT's videodata information system, and be operated with a private sector partner whose identity has not been disclosed. The scheme would involve supplying free of charge to subscribers as many as 100,000 special adaptors. These would convert ordinary television sets into terminals equipped to receive Prestel. The cost of the adaptors, estimated at about £10m, would be shared equally by BT and its partner. The proposal must still be approved by BT's board. It marks the boldest attempt yet to carve out a mass consumer market for Prestel, which has attracted few residential subscribers since it started three years ago. Most of its 16,000 users are businesses. The planned services would enable users to conduct a wide range of financial transactions from home. It would probably include facilities for ordering and paying for goods and services electronically. The modified television sets

Table titled 'Continued on Back Page' showing data for New York, Aug. 23, and Previous. It includes columns for various financial indicators and their values.

Ambrosiano cash 'in Swiss banks'

BY OUR FINANCIAL STAFF

SWISS BANK accounts received substantial dollar transfers from overseas subsidiaries of Italy's Ambrosiano banking group, according to the public prosecutor of the Sottoceneri district of Canton Ticino in Switzerland. A statement from the public prosecutor yesterday alleged that the transfers—later reported in Italy to amount to \$20m (£11.5m)—had been drawn improperly from Banco Ambrosiano by the late Sig Roberto Calvi, the group's former chairman. The money was transferred from Ambrosiano group subsidiaries in Nassau and Managua to bank accounts in Lugano and other Swiss towns. The nominal ownership of these accounts was still unclear last night. Confirmation that the \$20m had been traced and blocked in Italy by Sig Pier Luigi Dell'Osso, an Italian magistrate, on his return from Lugano where he had visited Sig Flavio Carboni. Sig Carboni, an Italian businessman and close associate of Sig Calvi, is at present helping the Swiss police with their inquiries. The Swiss authorities are assisting the Italian police, who have sought to have Sig Carboni extradited on charges of passport falsification. In Milan, the Nuovo Banco Ambrosiano—which earlier this month inherited the balance sheet of the liquidated Banco Ambrosiano Spa of Milan—has announced that on September 13 it will seek its seven shareholder banks' approval for a major capital increase. Holy See hints at solutions to financial conundrum, Page 2

The Swiss authorities are assisting the Italian police, who have sought to have Sig Carboni extradited on charges of passport falsification. In Milan, the Nuovo Banco Ambrosiano—which earlier this month inherited the balance sheet of the liquidated Banco Ambrosiano Spa of Milan—has announced that on September 13 it will seek its seven shareholder banks' approval for a major capital increase. Holy See hints at solutions to financial conundrum, Page 2

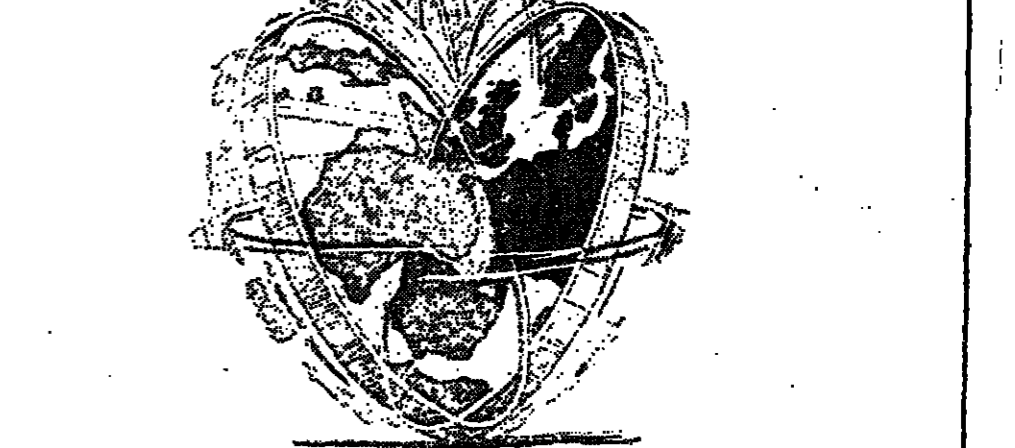
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FOREX-MONEY MARKETS FOREX-MONEY MARKETS FOREX-MONEY MARKETS

Continental Currencies—the other side of our Foreign Exchange Business



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EUROPEAN NEWS

OVERSEAS NEWS

Rupert Cornwell in Rome examines the role of the Vatican bank in the Ambrosiano money-go-round Holy See hints at solutions to financial conundrum

WITH THE words "We must be good and correct, but not naive" Cardinal Agostino Casaroli, the Vatican's Secretary of State and most practised negotiator, sent out this week the first important signals from the Holy See on the summer's most intriguing financial conundrum. Just how much responsibility is the Institute per le Opere di Religione (IOR) bound to—and more important ready to—shoulder for the \$1.2bn (£680m) of unrecovered loans which brought about the Banco Ambrosiano collapse?

are less diametrically opposed to the Casaroli thesis than might be expected. For one thing, they seem more inclined to accept the Vatican's denials that the IOR directly owned some or all of the Panamanian front companies, despite the long history of relations between Sig Calvi and the trio at the top of the IOR: its president, Archbishop Paul Marcinkus, Sig Luigi Mennini, and Sig Pellegrino de Strobel.

What happens in the next few weeks behind the hermetic walls of the Holy See is anyone's guess. But the Italian authorities aim to use the affair to sort out financial relations with the Vatican. The problem, according to officials here, is relatively simple and need not involve any modification of the Concordat of 1929 between the two states, and on whose revision experts have been working without success for years.

Honecker has talks with head of Krupp

By Leslie Colic in Berlin A much publicised meeting between President Erich Honecker, of East Germany, and Herr Bernhard Beitz, chairman of the supervisory board of Krupp, has taken place here at a time of mounting problems for the East German economy.

Bonn current account deficit narrows

BY KEVIN DONE IN FRANKFURT THE WEST GERMAN current account deficit of DM 1.9bn (£420m) last month, chiefly as a result of seasonal influences such as the heavy spending of West German tourists abroad.

Mauroy seeks union backing for restraint

By David Housego in Paris THE French Prime Minister, M Pierre Mauroy, has launched a series of meetings with union leaders to win their acceptance of the financial sacrifices the Government is pressing for.

States agree to take part in AEG aid plan

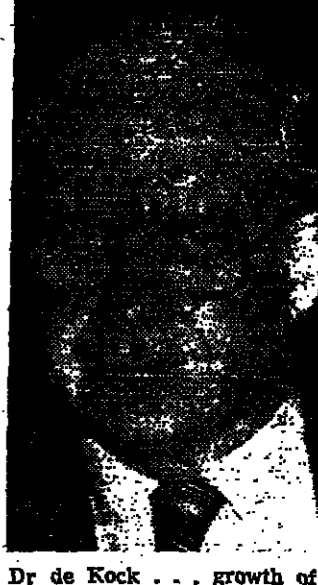
BY JONATHAN CARR IN BONN THE Bonn German Government and the federal states (Laender) have moved a step closer to agreement on how to aid AEG-Telefunken, the stricken electrical concern.

Government ready to assist Dutch textiles

BY WALTER ELLIS IN AMSTERDAM THE DUTCH Government is ready to help rescue the country's textile and clothing industries, provided any agreed plan does not conflict with European Community regulations.

Gold price rise fails to brighten S. Africa outlook

BY BERNARD SIMON IN JOHANNESBURG THE PRESENT surge in the gold price has not yet altered the bleak outlook for South Africa's economy this year and in 1983, Dr Gerhard de Kock, Governor of the Reserve Bank, indicated yesterday at the bank's annual meeting of shareholders.



Dr de Kock... growth of only 1 per cent expected.

Kenya asks West for aid after coup attempt

BY QUENTIN PEEL, AFRICA EDITOR (894m). However, the greatest costs for Kenya are in the loss of its reputation for political stability, which is likely to affect both future foreign investment and the country's important tourist industry.

Tunisia prepares new homes for PLO

BY FRANCIS GHILES THE 1,000 Palestinian guerrillas due to disembark today at the port of La Goulette, north of Tunis, are expected to surround their weapons to Tunisian army officers before parading through the streets of the capital.

Israelis free prisoners

Israel has begun releasing some of the 7,000 suspected PLO members it captured in the opening stages of its invasion of Lebanon, Israeli officials said yesterday. AP reports from Jerusalem.

'Shortcomings' in Turkey affect borrowing ability

BY METIN MUNIR IN ISTANBUL TURKEY HAS made "great strides" in the field of external borrowing since 1978, but continues to suffer from serious shortcomings which are undermining its ability to borrow, according to a memorandum prepared by the Government's Financial Advisory Group.

Glistrup threat to form new Danish party

BY HILARY BARNES IN COPENHAGEN THE FOUNDER of Denmark's tax-protest Progress Party, Mr Mogens Glistrup, has threatened to resign and start a new party in protest against a proposal to increase the membership of the executive committee from six to 20.

Interest Rates Investment & Deposit Interest Rates will be reduced by 1% from 1st September 1982. GATEWAY BUILDING SOCIETY

هكذا من العمل

Japan to lend £146m to China

By Richard C. Hanson in Tokyo

JAPAN has agreed to extend ¥65bn (£146m) in official loans to China during the year ending March, 1983. This amount is 8.3 per cent higher than the assistance provided last year.

Under a five-year agreement starting in 1979, Japan has provided low-cost loans, mainly for a number of ambitious projects aimed at strengthening China's port and transport systems.

This year's instalment will help fund three port and railway projects. More than ¥30bn will be spent on the expansion of a Beijing-Qinhuang rail link. The Japanese have also included ¥20bn in commodity credits in the package. The loans carry an interest rate of 3 per cent over 30 years, with a 10-year grace period. Last year, Japan extended ¥60bn in loans, and in 1979 and 1980 the loans totalled ¥50bn and ¥56bn. Talks this year went smoothly and an agreement was reached in every stage.

Reuter adds: Mr Zenko Suzuki, the Japanese Prime Minister, yesterday offered to expand Japan's contribution to UN peace-keeping operations to cover personnel and equipment as well as funds.

Mr Suzuki, in talks with Sr Javier Perez de Cuellar, the UN Secretary-General, said the contribution would be made within the framework of the Japanese constitution.

Australian plan for economic 'rescue'

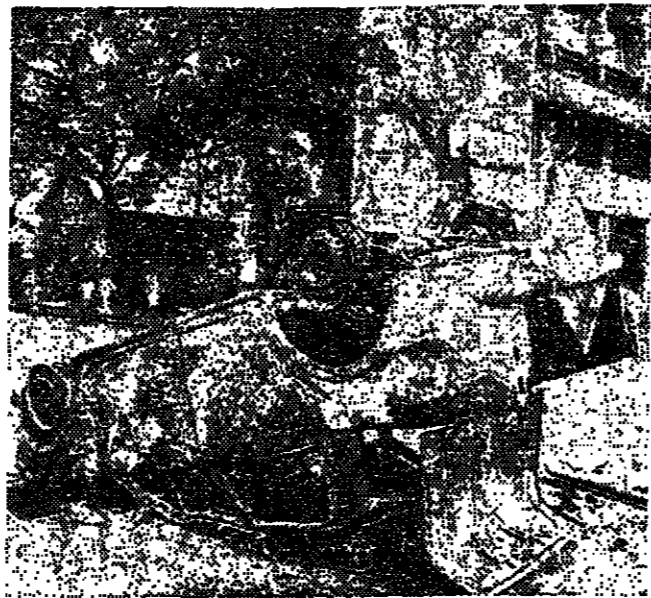
MR BILL HAYDEN, the Australian Labor Party leader yesterday proposed a series of measures as a "short-term plan of rescue" for the Australian economy, struggling in the recession. AP-DJ reports from Canberra.

The measures include the creation of about 150,000 extra jobs in the public and private sectors; increased spending on capital works, including an extra A\$170m (£95m) on public housing; "genuine" tax cuts, cheaper health insurance and a new improved retirement scheme, and a 5 per cent devaluation of the Australian dollar to take pressure off interest rates.

Reuter

K. K. Sharma visits the scene of last week's two-day orgy of violence by mutinous police and rioting strikers

Bizarre coincidence fires up Bombay's angry workers



Burnt-out car in Bombay after police riot.

THE charred skeleton of a bus blocks traffic on one of Bombay's arterial roads. A few yards away, soldiers armed with light machine guns watch stonily while an upturned car lies nearby. Scores of shops with smashed windows bear testimony to Bombay's two-day orgy of violence last week in which six people were killed. India's commercial capital is limping back to normal, but it will take a long time to re-establish confidence between its 12m citizens and their 22,000 policemen.

Bombay's police lost their status as the country's elite force when they were joined by striking textile workers on a rampage in which several hundred million rupees worth of goods were looted. It took three battalions of the Indian Army and seven regiments of paramilitary forces two days to bring the upheaval under control.

A senior police officer acknowledges in hindsight that the situation could have been better handled and the authorities should have anticipated Bombay was a prime flashpoint in view of the continuing eight-month strike by 250,000 textile workers. When the authorities decided last Wednesday that they should act sternly to quell the growing indiscipline in the

Bombay police force, they reckoned without the potential fury of the textile workers. The authorities swooped down on leaders of the police union, the Bombay Police Association, which began a demonstration on August 15, India's Independence Day, for better pay and conditions. Textile workers in the

neighbourhood thought the crackdown was aimed at them. The result was a rare combination of policemen, angry at the arrest of 22 of their leaders and the dismissal of 80 others, and hungry textile workers looting shops. According to Bombay residents, the violence was unavoidable.

The long textile strike underlines the deceptiveness of Bombay's glossy prosperity. Tensions tend to be ignored until they build up enough pressure for the kind of eruption seen last week. No other Indian city can boast such a formidable organised underworld of smugglers, bootleggers and petty criminals. Bombay's hundreds of thousands of shanty and slum dwellings are a further hotbed of discontent.

Mr Julio Riberio, Bombay's police commissioner, says: "The city, with all its frustrations, is like a powder keg that can go up at any provocation. We had to put fear into the people. There was no other way of controlling the situation—a situation that was brought to a head by acts of indiscipline by Bombay's police union, such as the wearing of black badges on duty, and an alarming report that the union leaders planned to loot the armouries."

250 police dismissed

MORE THAN 250 policemen in India's northern state of Haryana have been dismissed for taking part in last week's demonstrations, Chief Minister Bhajan Lal said yesterday. Reuter reports from New Delhi.

The Minister said he would not tolerate indiscipline in the force. The policemen, mostly from the state's armed constabulary, were protesting about working conditions, the Press Trust of India said.

A day after the trouble in Haryana, policemen in Bombay, went on strike to press for higher pay. The army was summoned to restore order and at least five people were killed in the city in two days of rioting.

Last week's crackdown is now admitted to have been an over-reaction. Bombay has a weak administration led by Mr Babasahib Bhosale, the Chief Minister, who owes his position to the downfall of his allegedly corrupt predecessor. Mr Bhosale was in New Delhi on the day of the mutiny, pay-

ing court to Mrs Indira Gandhi, as seems mandatory for all those who owe her allegiance. It seems the decision to discipline the police union leaders was decided upon without the Chief Minister's knowledge, although Bombay's cynics say

this would have made no difference.

A post mortem is now under way to allocate blame for the mutiny and the riots. Recognition of the Bombay Police Association has been withdrawn and the authorities are to act firmly, in accordance with instructions from New Delhi.

Police unrest over pay and conditions in at least two other states is worrying the Indian Government, which fears another build up of hostility among industrial workers and police. Mrs Indira Gandhi's government, and her Congress Party in a majority of the country's 22 states, will come under pressure for strong action on growing police indiscipline.

This will also be the worst year ever for industrial strife and last year's figure of 22m working days lost will be greatly multiplied, even if the textile workers go back to work immediately.

The bizarre coincidence of the police agitation and the textile strike is symptomatic of the notoriety earned by India's police forces because of their corruption and high-handedness. In Bombay itself, the police force is said to be

operating a highly rewarding protection racket of weekly pay-offs, whose victims are small and large businesses, to the benefit of both constables and senior officers. Such corruption is rife all over the country.

Added to this are police grievances about wages and working conditions that led to the appointment of a commission of inquiry three years ago when forces in a number of states started simultaneous protests. After submitting a number of reports the Commission ended last year, but so far no action has been taken on its recommendations.

Part of the reason for this inaction is that the Commission was appointed by the Janata Government, whose policies and actions Mrs Gandhi appears to be deliberately ignoring. This is creating pressures of the kind that led to last week's violence.

Such riots may not be contained so quickly next time. As a Bombay resident points out: "In any other country, there would have been a revolution. There was widespread discontent, a massive strike, a multi-nous police and an ineffective and unpopular administration. If the combination recurs, the army may not be enough."

South Korea joins protest at Japanese rewriting of history books

BY ANN CHARTERS IN SEOUL

KOREAN-JAPANESE relations, often more uneasy than comfortable, suffered a shock recently when Japan re-wrote its secondary school history textbooks, which deal with the invasion by Japan of the Korean peninsula and the harsh, 37-year colonial administration which ended in 1945.

The South Korean Foreign Ministry lodged a formal protest with the Japanese ambassador in Seoul this month to warn that relations between the two countries could be damaged unless Japan were to revise the textbooks. The three main Korean political parties yesterday issued statements to deplore the absence of specific measures in remarks by Mr Zenko Suzuki, the Japanese Prime Minister, on Monday in Tokyo.

Mr Suzuki did say that efforts would be made to find solutions acceptable to South Korea and China—which has also protested against the re-writing—as soon as possible, but he gave no timetable. The formal Korean protest through diplomatic channels asked that prompt and specific steps be taken to correct the historical accounts.

Particularly galling to the Koreans is the designation of the 1919 independence movement here as a "riot" in the new textbooks. After a declaration of Korean independence on March 1, 1919, the Japanese army suppressed demonstrations. It killed more than 7,000 Koreans and wounded almost 16,000, according to Korean historians. After the uprising, Korean govern-

ments-in-exile were established in Vladivostok and Shanghai, where they remained until the end of World War II.

Other revisions which provoked the current protest include a description of the invasion of the peninsula as an "advance" on account of Japanese forces promoting Korean worship at Shinto shrines, which former texts described as forced worship. Koreans who were drafted into the Japanese army, or into other services, such as entertainment of troops, are described in the current text as gathered for factory work or mobilised. Late in the occupation, the study of the Korean language was banned, but the new texts say the Korean and Japanese languages were both used.

Other Japanese attempts to

control the local population and subjugate Korean culture at that time have been described in local newspaper accounts of Japanese rule. Pictures of an independence fighter with both arms severed, and of another being executed with a chopper, have rekindled old memories, and have awakened new reactions in those under 40 who are too young to remember the grim years before the Japanese surrender.

Older citizens have staged demonstrations in cities throughout the country and the Japanese ambassador in Seoul received a telephoned threat to his life.

In a strong statement to remind his compatriots that effects of Japanese rule still remain, President Chun Doo

Hwan speaking on August 15, Liberation Day, blamed the Japanese for the fact that the Korean peninsula and people are divided today. The Japanese army in the northern part of the peninsula surrendered to the Soviet army at the end of the Second World War, and another occupying army to the south of the 38th parallel surrendered to the U.S. That parallel became the boundary between North and South Korea.

The textbook controversy comes at a particularly sensitive time. South Korea and Japan having just compromised on a year-old Korean request for \$6bn (£3.4bn) in aid. Last month, Korea accepted Japan's offer of \$4bn in aid, but the composition of the loans is still in dispute. The Korean Government wants \$2.3bn of the

amount as official development assistance (ODA) loans at low interest rates, and the remainder as commodity credits.

The latest Japanese offer, deemed unacceptable by the Koreans, was \$1.5bn at ODA rates, with the rest as export-import credits. According to a government official here, the export-import credits could be obtained through commercial banks and do not represent special concessions.

Although the Korean Government would like to keep the loan issue and the textbook controversy separate, it is now waiting for the next Japanese move on both matters. There are no indications as to what steps Korea might take if Japan were to prove intransigent on either.

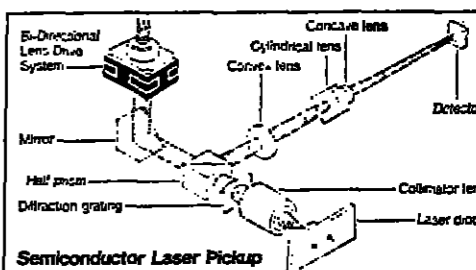
Gandhi backs Mauritius claim to Diego Garcia

PORT LOUIS — Mrs Indira Gandhi, the Indian Prime Minister, said yesterday her Government backed Mauritian claims to sovereignty over the island chain which includes the U.S. military base of Diego Garcia.

She told the Mauritian Legislative Assembly that India also supported the Mauritian campaign for the demilitarisation of the Indian Ocean. Mrs Gandhi, on a three-day visit, said Indian and the new Left-wing Government in Mauritius had identical views on non-alignment, Southern African liberation movements and Israeli "aggression" against the Palestinians.

Mrs Gandhi is also due to visit Mozambique on her tour and will stop off in the Seychelles.

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These and other advancements in opto-electronic and semiconductor technologies have allowed them to make the Hitachi DA-1000 not only one of the world's first commercially available DAD players but one of the most compact as well.

The new Hitachi DA-1000 is a sound system far better than any you've ever heard!

Hitachi is spreading the computer revolution to music and the results are truly amazing. If compared to a conventional stereo, their new DA-1000 offers a far greater dynamic range, 1/100th the distortion. No record wear. And up to one hour's uninterrupted music from a single side.

For all its advantages, digital audio is a technically complex system. Just 12 centimeters in diameter, each digital disc contains up to 15 billion "bits" of music information — a code that must be read by a laser beam several times thinner than a human hair!

In developing the DA-1000, Hitachi applied the full weight of their expertise and then some.

For instance, pioneer work in the new hybrid fields of mecha-tronics and opto-electronics as well as advanced IC and LSI technologies were all involved in creating the DA-1000's highly accurate (±0.01 micron) semiconductor laser pickup.

Overall, Hitachi engineers generated over 140 patents and patents pending in developing one of the world's first commercially available DAD players.

As proud as they are in their success at producing the DA-1000, it's just one example of Hitachi's commitment to improving the quality of life through technology. Right now,

Hitachi research and development technicians are working on hundreds of other promising projects — from large scale control computers to pocket-size liquid crystal display televisions.

You see, Hitachi has a lot of new ideas about tomorrow.



AMERICAN NEWS

U.S. and UK Argentine economy minister resigns amid rising tension

By Peter Montagnon, Euromarkets Correspondent

CITIBANK is to begin sharing interest payments from Argentina with its British counterparts from the middle of next month if differences between the two countries have not been resolved by then.

The move is seen as a major step forward by British bankers, who have been pressing for such a share-out since Argentina stopped paying interest to British banks in the wake of the Falklands crisis.

They argued that when several banks have clubbed together to provide a loan in the syndicated credit market, it was essential for all banks to receive equal payments and a fundamental market principle would be undermined if one bank was not paid.

Despite Citibank's statement that payments will begin in a month's time, several British bankers are less than certain that the differences between Argentina and the UK will have been resolved by then.

A lifting of the freeze is an essential pre-requisite for talks on rescheduling Argentina's \$37bn foreign debt.

BY JIMMY BURNS IN BUENOS AIRES

THE PROSPECT of a major political crisis loomed in Argentina yesterday following the resignation of Sr Jose Domingo Pastore, the economy minister.

A statement issued by a Presidential spokesman said that Sr Pastore had resigned because he believed he had failed to reconcile the country's warring sectoral interests.

There is continuing speculation of deep divisions within the military as the background to labour unrest and a deepening economic crisis.

Mr Pastore resigned after the economic cabinet, which includes the ministers of labour, public works, and social action, had met to discuss the extent of salary increases planned for the private sector.

Formal negotiations on Argentina's \$37bn foreign debt were stalled as international bankers wait for the lifting of Britain's freeze on Argentine assets.



Pastore... believed to have disagreed over wages policy.

Mr Pastore is believed to have disagreed over wages policy, the future strategy believed to have come under consideration in the economy ministry is understood to have brought Sr Pastore into conflict with other cabinet ministers.

Mr Pastore resigned after the economic cabinet, which includes the ministers of labour, public works, and social action, had met to discuss the extent of salary increases planned for the private sector.

Formal negotiations on Argentina's \$37bn foreign debt were stalled as international bankers wait for the lifting of Britain's freeze on Argentine assets.

Call for big boost to IMF resources

By Reginald Dale, U.S. Editor, in Washington

THE PRESTIGIOUS Institute for International Economics yesterday called for a large increase in the financial resources of the International Monetary Fund and sharply criticised the fund's lending policies over the past 12 months.

The institute, a private, non-profit making study group set up at the end of last year, said in its first report that the IMF quotas should be raised to at least SDR 100bn (\$100bn) and possibly as much as SDR 120bn, over the current level of SDR \$1bn.

Mr Fred Bergsten, a director of the institute, said that while the fund had enough money to come to the rescue of Mexico, it might not be able to cope with two or three Mexicos.

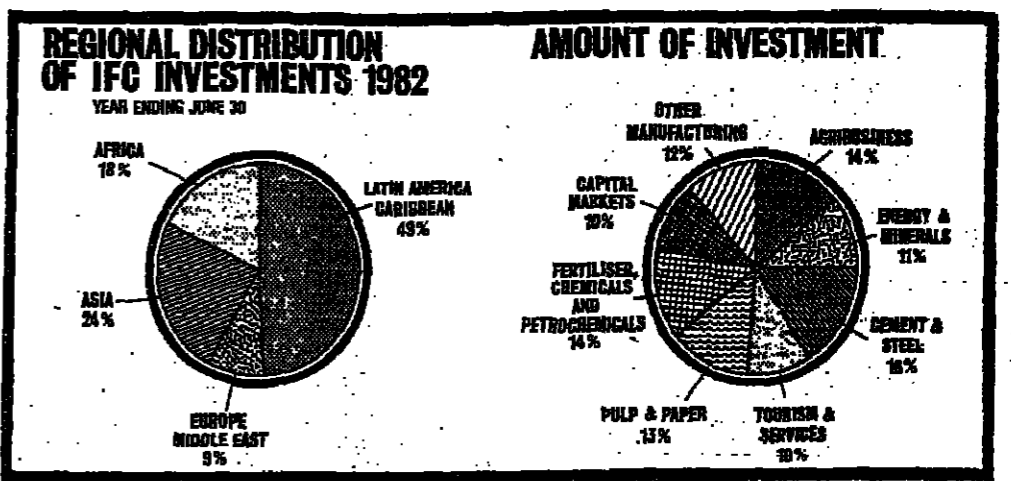
The fund is due to start discussing the next quota increase at its annual meeting in Toronto next month, with a target deadline for agreement of December 1983.

Mr Williamson criticised the cut, which was strongly urged by the U.S. as "severely detrimental to the needs of the world economy in general and developing countries in particular."

INTERNATIONAL FINANCE CORPORATION REPORT

Third World finance squeezed

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT



The IFC is the affiliate of the World Bank specialising in making equity and loan assistance to private sector ventures in the Third World.

Mexico seeks doubling of quotas by IMF

BY RON SUTHERLAND IN MEXICO CITY

MEXICO is to seek a doubling of International Monetary Fund quotas for the Third World, and re-establishment of an IMF committee to channel oil profits to developing nations.

Mr Williamson criticised the cut, which was strongly urged by the U.S. as "severely detrimental to the needs of the world economy in general and developing countries in particular."

Inflation rate rise in U.S. decelerated last month

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. inflation rate, as measured by consumer prices, was reduced in July after two months' relatively rapid increase.

The July increase put the index 6.5 per cent higher than the July 1981, the Department reported. It said that the compound annual rate for the three months to end of July was 10.8 per cent.

WORLD TRADE NEWS

Garuda set to order 10 Fokker F-28 jetliners

BY WALTER ELLIS IN AMSTERDAM

THE FORTUNES of Fokker, the Dutch aircraft manufacturer, may be about to receive a boost with an order for 10 of their F-28 jetliners from the Indonesian airline, Garuda.

According to yesterday's Financele Dagblad, Garuda has placed a firm order for the aircraft worth some fl 220m (€35m) fitted with engines by Rolls-Royce.

Neither Fokker nor Garuda in the Netherlands would confirm or deny the story.

Fokker made a profit during the first six months of this year of fl 6m—slightly up on the same period last year—and expressed itself modestly optimistic about prospects for 1982 as a whole.

The Rolls-Royce stipulation, if correct, is interesting because the British company no longer makes the particular engines for the F-28, which the Indonesians requested.

Fokker has already undertaken to fit the modified engine in F-28s ordered by the Swedish airline, Linjeflyg, and Ansett of Australia.

Garuda is said to have ordered F-28 4000s, and older versions of the Rolls-Royce engine suitable for this model.

It is understood, however, that the latest version of the engine specified could be made available by Rolls-Royce, thus enabling Garuda to go through with the deal.

The British company has a contract worth £150m at 1976 prices to provide diesel locomotives and other equipment for signalling, telecommunications and, later, the electrification of the railway.

Roinechids Bank has provided most of the external finance for the project. Railways have always been accorded a low priority in Brazilian transport policy.

Kellogg may win LNG maintenance contracts

By Francis Ghiles, recently in Arzew

ALGERIA'S state oil and gas monopoly, Sonatrach, is expected to choose Kellogg Engineering Services, a subsidiary of El Paso Natural Gas (LNG) plants at Arzew, the major hydrocarbons base in Western Algeria.

At the LNG I plant in Arzew, Kellogg Plant Services, a subsidiary of The M.V. Kellogg Company of Houston, would replace El Paso Engineering Services, a subsidiary of El Paso Natural Gas, which will have pulled out its staff of about 100 by the end of the month.

Kellogg Plant Services would also provide maintenance services at the \$1.2bn (€705m) LNG plant at Arzew. The expected start-up of a contract for the sale of the U.S. and increased shipments of LNG to Belgium, both plants should be working a higher capacity than ever before by this autumn.

The two maintenance contracts are worth an estimated \$2m.

Sonatrach is currently taking bids for a \$75m worth of work to supply and install boilers at the LNG I plant, work which is designed to increase the throughput capacity of the plant.

India to help plan oil field

By Our New Delhi Correspondent

India has won two consultancy service contracts worth \$347,500 (€204,411) for study on an oil field in Iraq and for prospect evaluation of an offshore basin in Sri Lanka.

According to Col S. P. Wahi, chairman of the Oil and Natural Gas Commission, the ONGC had signed a contract with Iraq's National Oil Company for the study of the Ain Zakh oilfield in Iraq.

The ONGC will sign a \$100,000 contract with Ceylon Petroleum Corporation in a week's time for consultancy services for prospect evaluation of the Palk Bay and the Gulf of Mannar offshore basin near Sri Lanka.

Big contracts are luring a host of companies, writes Francis Ghiles Algeria enjoys a building boom

CONSTRUCTION COMPANIES

operating in Algeria are currently enjoying a building boom unprecedented since the country became independent 20 years ago.

The housing budget this year is \$2.9bn (€1.26bn), \$1.7bn of which is accounted for by prefabricated homes—the import of kits for such homes made up 10 per cent of Algeria's total import bill in 1981.

The construction of new towns and the modernisation of existing town centres in places such as Algiers and Constantine the bare bones of which will cost \$2.5bn over five years, provide another big market for the construction industry.

Italian companies have won many contracts, the latest batch of which, awarded a month ago, were worth \$225m. Hungary's Emexport and Nixex have recently won orders for 1,000 and 1,700 apartment contracts respectively.

ALGERIA'S PLANNED HOUSE COMPLETIONS, 1980-84 (in thousands)

	Urban	Rural	Total
Houses in progress* (from earlier housing programme)	225	104	329
New programmes	75	46	121
Total	300	150	450

* Not all these houses are under construction. Some are still under study. Source: General Report on the Five Year Plan, 1980-84

UK companies do not appear to have achieved anything like the 20,000 housing units worth £200m for which the UK and Algerian governments signed an agreement in October 1981.

The present building boom is characteristic of the more relaxed rule of President Chadli Bendjedid. The austere grip of the late President Houari Boumediene, which had focused his attention on providing his country with a heavy industrial base, has given way to an economic policy which recognises the huge backlog in social and consumer needs.

President Chadli has made adequate housing a key point of the Government's social and economic policy. Algeria's population has doubled to 20m since independence but the problem of birth control cannot be addressed until living standards are raised, particularly where

which had been stashed away in the later Boumediene years, is coming out and, in its wake, creating many new jobs.

Building new towns inland and encouraging new housing and schools in the villages has the added advantage of stemming the exodus from rural areas.

The decision to encourage a large housing programme was taken three years ago but it was the earthquake which wrecked the city of El Anassir in October 1980 which brought the programme to life.

There are a number of reasons for the small degree of British success. First, its lack of familiarity with the market—a feature reinforced by the belief of British officials in Algiers in the middle 1970s that Algeria would soon be a feeling that profit margins in the country are too thin, if compared with what could be gained in Saudi Arabia and the Gulf.

Egypt, Spain ratify \$1bn deal

BY ROBERT GRAHAM IN MADRID

EGYPT AND SPAIN has ratified a \$1bn (€588m) deal for Spanish naval vessels, military trucks, armoured personnel carriers and buses.

All the equipment is being supplied from within the group of companies controlled by INI, the Spanish state holding company. The biggest share of the contract has been won by the naval shipyard Bazan, which is to supply two corvettes and six patrol vessels worth \$598m.

Spain's biggest ever military export order was finalised last month but was formally ratified over the weekend in Cairo by Sr Juan Antonio Garcia Diaz, the Spanish Deputy Premier and Minister of Economy.

Handwritten note: July 20/82

هكذا من الأتميل

In 1928 Mercedes-Benz spotted a trend.



Illustrated: The 1928 Nürberg 8 Eight-cylinder in-line engine, 80 hp.

In 1981 Mercedes-Benz introduced the 'Energy Concept', but it was an idea originated by Mercedes-Benz engineers more than fifty years ago.

In the late 20's and early 30's the world first saw unusually large rises in the price of petrol. Spotting this trend in 1928, Mercedes-Benz decided to do something unusual for that day and age—design cars with a regard for fuel consumption.

In 1931 they introduced what could be regarded as the first expression of the 'Energy Concept': The Mercedes-Benz 170. It was not only one of the world's first cars with swing-axes, it also had an overdrive to lower engine speed by 30% and fuel consumption by 20%.

1936. The Diesel arrives.

In 1936, despite other manufacturers' overwhelming preoccupation with petrol engines, Mercedes-Benz introduced the world's first production car with a Diesel engine—the 260D.

It was less greedy and likely to last longer than petrol-engined cars of the day. It became the foundation of the Mercedes-Benz reputation as the pre-eminent builder of Diesel cars. And in the mid-fifties Mercedes-Benz developed and introduced petrol injection in the 300SL. The result: increased performance without a significant increase in consumption.

1979. Amazing aerodynamics.

The new S-Class range, unveiled at the Frankfurt Motor Show in 1979, possessed aerodynamic characteristics never before

obtained in that size of car. This was just one of the reasons why the fuel consumption figures were amazingly low.

It also had redesigned, light-alloy V-8 engines that increased performance while actually lowering fuel consumption significantly.

The 'Energy Concept' took another giant leap forward. Petrol kept going up in price.

1980. Higher performance on less fuel.

This was the year Mercedes-Benz introduced the new four-cylinder engines for the 2 and 2.3 litre series.

These short stroke engines, with cross-flow cylinder heads, attain their maximum torque at low engine speeds. In other words, they can be driven in high gear at low speeds with less engine stress.

Engine noise was reduced and, because fewer gear changes were required, there was less stress on the driver too.

And all the while, petrol was becoming even more expensive.

The Mercedes-Benz 'Energy Concept' today.

The challenge of the Eighties, for all car manufacturers, is to build vehicles that are even more fuel efficient.

The challenge for Mercedes-Benz is to make quality cars that are not only fuel efficient but also offer the high degree of safety and comfort that people have come to expect from the marque.

This challenge has been met. As you can see from this chart of fuel consumption figures, their frugality is impressive. However the character and integrity of the cars is still uncompromisingly Mercedes-Benz.

Official Fuel Consumption Figures.	Imperial mpg—Metric L/100km			
	Urban		75 mph/120 km/h	
	IMP	METRIC	IMP	METRIC
200 Saloon	22.6	12.5	36.2	7.8
200T Estate	22.5	12.6	35.2	8.0
230E Saloon	22.2	12.7	36.9	7.7
230CE Coupé	21.6	13.1	36.9	7.7
230TE Estate	21.6	13.1	36.9	7.7
280E Saloon	19.1	14.8	28.7	9.8
280CE Coupé	19.1	14.8	28.7	9.8
280TE Estate	19.1	14.8	28.7	9.8
280SL Roadster/Coupé	19.1	14.8	29.0	9.8
380SL Roadster/Coupé	19.9	14.2	30.7	9.2
500SL Roadster/Coupé	18.2	15.6	30.2	9.4
280SE Saloon	19.8	14.3	29.6	9.5
380SE Saloon	20.3	13.9	32.6	8.7
380SEL Saloon	19.9	14.2	32.6	8.7
380SEC Coupé	20.3	13.9	32.6	8.7
500SE Saloon	18.6	15.2	31.0	9.1
500SEL Saloon	18.6	15.2	31.0	9.1
500SEC Coupé	18.6	15.2	31.0	9.1

Nowhere is the 'Energy Concept' better expressed than in the current S-Class.

This car requires less energy to build, advanced alloys make its V-8 engines more frugal yet more powerful. Its famous aerodynamics not only aid fuel economy but also road holding and stability.

Through the innovative use of special steels and aerospace plastics and alloys, the S-Class is not only lighter, but stronger and safer. It has more seating room, improved visibility and a remarkably quiet ride.

In 1982 many manufacturers have an 'Energy Concept'. The Mercedes-Benz 'Energy Concept' has been around for more than 50 years.

Engineered like no other car in the world.



UK NEWS

BP Oil to close Belfast refinery

BY OUR BELFAST CORRESPONDENT

BP OIL, the UK refining and marketing arm of the BP group, is to close its loss-making Belfast refinery, the smallest of its three remaining UK refineries.

BP's remaining UK refineries are at Grangemouth in Scotland, with a capacity of 8.5m tonnes, and Llandarcy, south Wales, which can handle 5.2m tonnes.

On a full current cost accounting basis, BP Oil made an operating loss of £126m in 1981. In the first quarter of this year it lost a further £24m.

growing withdrawal from the province of companies which have their headquarters in Britain.

Fewer Britons holidaying abroad

By Arthur Sandes

British holiday-making overseas has fallen between 5 and 6 per cent numerically and as much as 8 per cent in cash terms, according to Pickfords Travel, one of the largest travel agencies chains.

Pressure to reflate likely to intensify

BY JOHN HUNT

THE INCREASE in the August unemployment figures announced yesterday is likely to put more pressure on the Government to introduce a reflationary package as part of the Chancellor's economic review in November.

British Gas appoints sixth director

BY RICHARD JOHNS

AN INTENSIFIED search by British Gas Corporation for bigger sources of natural gas is signified by the appointment of a sixth managing director.

CEGB favours Hinkley Point for next N-plant

BY RICHARD JOHNS

HINKLEY POINT, near Bridgwater in Somerset, is expected to be named by the Central Electricity Generating Board as its preferred site for the next nuclear power station to be built.

GLC to spend £100,000 on transport survey

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

THE Greater London Council plans to spend nearly £100,000 on consulting Londoners on the future of London Transport. It will distribute 100,000 leaflets to organisations with an interest in public transport and also plans an independent public opinion poll.

Study backs docklands airport

BY LYNTON McLAIN

AN AIRPORT in the disused docklands of east London could capture a "significant proportion" of inter-city business passengers, according to a study published yesterday.

Outlook gloomy

BY JOHN HUNT

THE economic outlook for Scotland is not encouraging, according to a quarterly economic forecast from the Fraser of Allander Institute at the University of Strathclyde.

Rebates to rise

BY JOHN HUNT

ABOUT 3m people will benefit from increases in rent rebates, rent allowances and rate rebates, to be made in November.

Asbestos limit cut

BY JOHN HUNT

THE Government's Health and Safety Commission is to halve the amount of asbestos dust allowed in factories. The new legal limit is now one fibre of asbestos per cubic centimetre of air.



Table with 4 columns: Exports, Imports, Oil balance, and Exports/Imports Volume. Rows show quarterly and monthly data for 1980, 1981, and 1982.

THE VOLUME of Britain's exports appears to have been declining in the last six months, while the volume of imports has risen. Seasonally adjusted, the balance of payments figures show a fall of 14 per cent in the volume of exports between the two three-month periods February to April and May to July.

Scottish bank group to integrate operations

BY WILLIAM HALL, BANKING CORRESPONDENT

THE Royal Bank of Scotland Group, which controls the biggest bank in Scotland and the fifth biggest English clearing bank, is to integrate the operations of the two banks more closely.

Obituary Mr Angus Murray

MR ANGUS MURRAY, chairman of Redman Heenan International and a well-known figure in industry, died on Monday following a short illness.

Obituary Sir Lawrence Robson

SIR LAWRENCE ROBSON, a former president of the Liberal Party, died yesterday at his home, Kiddingdon Hall, near Woodstock in Oxfordshire. He was 78.

Nationwide Building Society advertisement. Includes logo and interest rates for Ordinary Share Accounts (7.75% 11.07%), Subscription Share Accounts (9.00% 12.86%), Capital Bonds 18th Issue (9.25% 13.21%), Bonus Account (8.75% 12.50%), and Deposit Accounts (7.50% 10.71%).

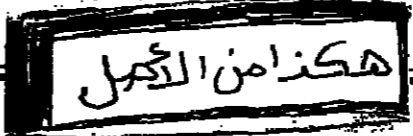
A balm for sore noses and company sales prospects

IF YOU ARE running a small company in a complex product market dominated by big companies, what must you manufacture to make the best return on capital?

Nick Garnett on a manufacturing chemist's product strategy. The importance of tiny market niches to small companies like J. Pickles was brought home to the company by the fate of two of its products.

RECAUSE of a printing error the article on videocorders on Page 1 of yesterday's Financial Times said incorrectly that deliveries of videocorders to the UK trade in the first six months of the year compared with the same period in 1981 had risen by 13.5 per cent. The correct percentage is 135 per cent.

HELP US LEAD THE FIGHT advertisement for Leukaemia Research Fund. Includes text about supporting research and a list of donors.



UK NEWS

LABOUR

Glasshouse companies face heavy pruning

THE 1983 glasshouse season could be the last for many British growers. A large section of the industry is claimed to be on the brink of bankruptcy, as growers face what they believe is unfair competition from the Dutch.

Press Council and TUC agree over complaints

BY JOHN LLOYD, LABOUR EDITOR

SIGNIFICANT changes in the operation of the Press Council - including exerting pressure on newspapers to publish complaints more prominently - have been agreed in principle between the council and the TUC.

Health workers plan for national rally

BY IVO DAWNEY, LABOUR STAFF

PLANS for a national rally of health service workers are high on the agenda of the TUC health service committee which meets tomorrow to discuss the next stage in its four-month campaign for a 12 per cent pay rise.

Bank union Directors demand wider reforms in public sector

BY DAVID GOODHART, LABOUR STAFF

THE MAIN banking union is planning to ballot its 1,400 members in Standard Chartered Bank on whether to take industrial action in a dispute with the bank over arbitration procedures.

Shop stewards fight steel redundancies

BY OUR LABOUR STAFF

SHOP STEWARDS at Johnson and Firth Brown, the private Sheffield steel company, said yesterday they would fight the 1,100 redundancies stemming from the proposed merger of Firth Brown and the British Steel Corporation's River Don Plant.

Liverpool dockers accept two-year pay deal

BY OUR LABOUR STAFF

THE THREAT of an unofficial strike halting the Port of Liverpool was averted yesterday when the 2,500 dockers voted by a substantial majority to accept a two-year pay and productivity deal after four months of negotiation.

Biscuit factory to close with loss of 440 jobs

BY JAMES McDONALD

BURTON'S Gold Medal Biscuits, part of the Associated British Foods group and the third largest biscuit producer in the UK, plans to close its Slough factory with the loss of 440 jobs. Production is to be moved to other Burton plants.

Goldman Sachs buys London merchant bank

Financial Times Reporter

FIRST DALLAS Ltd, the London merchant banking arm of First National Bank in Dallas, has been sold to Goldman Sachs, U.S. investment bank.

Co-op forecasts rise in spending

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE CO-OPERATIVE Union, the umbrella organisation for the UK co-operative movement, is forecasting an increase in consumer spending of just under 10 per cent in 1983.

Table with 3 columns: Category, 1971, 1981. Rows include Housing, Food, Confectionery, etc.

Fresh support for Sunday shopping

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE Consumers Association has come out strongly in favour of amendments to the shop hours legislation which would allow traders to open on Sunday and late at night.

BL unions to meet over pay claim

By Peter Cartwright

THE BL Unions' joint negotiating committee is due to meet on October 6 when delegates from six plants will attempt to find a common denominator for their individual pay claims.

Ballot over threat to beet harvest

A SECRET BALLOT is to be held among 2,000 workers in a move to settle a pay dispute which threatens to halt Britain's sugar beet harvest.

GARDENS TODAY

France's greatest public garden

BY ROBIN LANE FOX

ONLY THE British, as I have often stated here, know how to make a flower garden. There are very great gardeners elsewhere, of course, in America, France, Germany and Italy, but I think of them as exceptions.

THE ARTS

Television/Michael Coveney

EDINBURGH FESTIVAL

MUSIC AND THEATRE

Dresden State Opera

The first of this Edinburgh Festival's guest opera companies is the Dresden State Opera...

Emmerlich, a gloomy giant are to be taken by the same singers in all three performances here.

setting; no added japes, no temperamental flouncing by the performers, who are sensible professionals checking their make-up and reviewing their lines.

Not Herz, who keeps the rival troupes in each other's hair from first to last. The airy opera bunch are already faintly ludicrous with the nymphs reeling and writhing in Klimtish gauzes...

Besides all this pointed comic invention, the ensembles go with enormous verve and Herz's devices actually articulate the lengthy duet far better than most attempts at playing it straight.



Ana Pusar in Ariadne auf Naxos

DAVID MURRAY



Irene Worth (arms raised) in L'Olimpiade

Cooperativa Teatromusica, Rome

The curious aim of Sandro Sequi, known chiefly as an opera director, is to produce on stage the libretti of operas without their tunes.

love with Megacle, an Olympic champion, but the King disapproves of him. He removes to Crete, where he is rescued from bandits by Licida, son of the King of Crete.

We have a plain stage, and changes of scene are indicated very cleverly by the varied use of translucent white curtains.

Italian, of course), but the arias and the choruses as if for a poetry reading.

The occasional laughter, both from the Italian-speaking and from the English-speaking sections of the audience, made me wonder if those chases and misunderstandings were meant by Metastasio to be as funny as Mr Sequi made them appear to us.

B. A. YOUNG



June Ritchie and Benjamin Whitrow in Granada's A Bit of Singing and Dancing

The Radio Times proclaimed Sheridan's The Critic (BBC 1, Monday) to be a rollicking satire, Kenneth Tynan, on the other hand, once dubbed it the wittiest play in English.

I hate to sound pedantic about all this, but Louis Marks's Play of the Month production was not only a bore, it was a travesty.

Enough was enough. I decided, as the credits rolled, could I now steel myself for the FA Charity Shield (TV, Saturday) between Tottenham Hotspur and Liverpool at Wembley?

judes, flickering candles and much striking of posture. English language classics are invariably a disaster on television because no-one who works there knows very much about stage convention.

One scene came off brilliantly: the deflation of the late Alan Badel's Sir Prefragil Plagiary with a torrent of destructive abuse.

Enough was enough. I decided, as the credits rolled, could I now steel myself for the FA Charity Shield (TV, Saturday) between Tottenham Hotspur and Liverpool at Wembley?

but terribly slight. Adapted by Hugh Whitmore from a short story by Susan Hill, it was the story of a spinsterish daughter (played with spell-binding restraint by June Ritchie) taking in a lodger (Benjamin Whitrow) in defiance of dead Mum's (Evelyn Laye) misgivings.

Enough was enough. I decided, as the credits rolled, could I now steel myself for the FA Charity Shield (TV, Saturday) between Tottenham Hotspur and Liverpool at Wembley?

Holliger/Elizabeth Hall

Andrew Clements

The third of the Amadeus Quartet's recitals at this year's South Bank Summer Music brought with it on Monday Heinz Holliger to play Mozart's oboe quartet K370.

In the oboe quartet these capabilities were generously employed, though always within the ambit of a performance that was musicianly and scrupulously tasteful.

to full voice in a single, unblemished line. If the Amadeus were very much the junior partners in this performance their form in the rest of the evening suggested that the spotlight had been quite tactfully directed elsewhere.

For the second week of Summer Music the early-evening slot in the Purcell Room is being filled by six singers from the London Sinfonietta Voices in a programme of Wilbye and Poulenc. If the first instalment on Monday was an accurate harbinger of the remainder it will be a rare treat.

The Wanderer/Albert Hall

Max Loppert

Proms setting of magnificent English poem

The Wanderer, a big piece (50 minutes in length) for bass-baritone solo, large chorus, and orchestra, by Nareh Sohal, was given its first performance by the BBC Symphony Orchestra and choir at the Proms on Monday.

That outlook. Though Sohal's characterising fondness for un-encumbered textures (often no more than a lyrical line high above a clear-cut bass) may still betray his origins, the atmosphere of The Wanderer is fittingly charged with the dark, brooding colours of the poem; there is set up in the music a creative tension between the distinctively European epic manner of the verse and the composer's methods which give the work both its individuality and its dramatic energy.

The poem is a bleak vision of man's harshly uncommodated movement through a hostile world; and the musical response to it is images simple, powerful, and on a first hearing unforgettably effective.

choral bursts (at one point taking the first sopranos to top C sharp), at times lurching in the orchestral depths. The language of the composition, flourishing particular significance of expression upon the solo singer, combines angularity and simplicity of utterance.

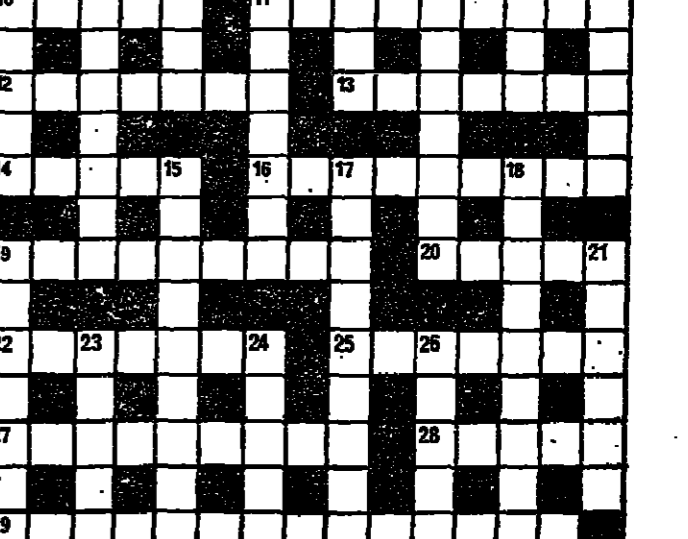
THEATRES

ALBANY. Air-Cond. S 856 2878. CC 930. 12.30. 7.30. 9.30. 11.30. 1.30. 3.30. 5.30. 7.30. 9.30. 11.30. 1.30. 3.30. 5.30. 7.30. 9.30. 11.30. 1.30. 3.30. 5.30. 7.30. 9.30. 11.30.

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F.T. CROSSWORD PUZZLE No. 4,957



1 Party-game? (6-6) 10 Faced pole (5) 11 U.S. teeing's unreliable-foot-fault state? (9) 12 Bevan's B17 (7) 13 Ruined OPEC's export-hastened round (7) 14 Intensity of small section at hospital (5) 15 Such a gratuity can be appealing (9) 16 One knocking farm-machine running on semi-ferm (9) 17 Clean sort of cavalry-weapon (5) 18 Ex-ception keeping it in the family (7) 19 Whole, for example, in Bury (7) 20 Central tie on a girder (4-5) 21 Man's punishment that grows (5) 22 Thomas Percy's relish? (9-5) 23 In trouble, conveniently (2, 3, 4) 24 Nocturnal climber of the wall in Paris (5) 25 Sleepers have carriages illuminated (6-3) 26 Thus faithfully we remain in business? (5) 27 Ideal trio arrangement for leader (9) 28 Live fit by day... (5) 29 The rest live round the bend (7) 30 Ply in London street (6) 31 Cardiology. Keat's first symptom? (8) 32 CE praying amounts to hymn of praise, say (9) 33 Viking code of Anglo-Saxon England (7) 34 Basic soil, over a yard (6) 35 Coming before a supervisor (5) 36 Patch a cuff (5) 37 ... the rest live round the bend (7) 38 Solution to Puzzle No. 4,956

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

When switching markets produces a breakthrough

Jason Crisp continues a series on companies exploiting the liberalised UK telecoms market with a report on Norton Telecommunications

"WE ARE withdrawing totally from any research and development activities," says Peter Morris with some relish. But if as chief executive of Norton Telecommunications, he sounds as though he is trying to defy conventional wisdom, he can point to past experience when developing his own products proved nearly disastrous for the company.

Now, Norton believes that its strength lies in selling other companies' products into the markets it knows. Principally an installation company, with some manufacturing activity, Norton is now adapting to become much more of a marketing organisation. And with the liberalisation of the UK telecommunications market some quite major changes have begun to take place within this 11-year-old company.

For a start Norton has firmly grasped the coat-tails of Mitel, the extraordinarily fast growing Canadian telecommunications company. It is one of just three organisations licensed to sell Mitel private telephone exchanges (PABXs) in the UK. The other two are British Telecom itself and ICL, Britain's largest computer manufacturer.

Although Norton only has a turnover of around £5m, it is now talking of selling £7m worth of Mitel large and small PABXs next year, even though the market for these products is not scheduled for liberalisation until the summer. (It may be possible to start selling them earlier on the grounds that BT is already doing so.) Total turnover for next year is expected at least to double to £10m to £12m, says Morris.

The Mitel deal is going to be a crucial factor for Norton if it is going to catapult itself from being a tiny—although reasonably successful—telecommunications sub-contractor into a significant company... which is what it hopes to do.

Mitel's PABXs have been very successful around the world. In just a few years it has become the second largest supplier of PABXs in the U.S. after Western Electric. It also became, after aggressive lobbying, the first company to break the ring of traditional suppliers to BT and win sizable orders



After the Monopoly

for PABXs, much to the other companies' annoyance. It has had a similar success in France and sells to a number of other countries, including the Middle East—many through Norton's offshoot in that region.

Norton was born in 1971 as a remnant of the rather grey area of telecommunications sub-contracting which had proliferated throughout the 1960s. Then, many good telephone engineers, trained either by the Post Office or one of the major suppliers, like Standard Telephones and Cables and Plessey, became freelance sub-contractors installing equipment such as PABXs. Rather like builders on the "lump" the self-employed engineers could make much more money than when employed at the Post Office.

When the Inland Revenue started to crack down on the engineers a number of companies, such as Norton, were formed to continue the sub-contracting. Morris, who joined Norton after it was founded, says of the circumstances which led to its creation: "It enabled us to carry on and do what we had been doing before in a more legitimate and acceptable way."

About a year later Norton was approached by IBM, the U.S. computer giant. It was looking for companies to install its new electronic PABX developed for the European market and which became the first to gain Post Office approval for installation in the UK. The installation work is the complex task of wiring the frames and the whole installation rather than

the alteration of the sophisticated software.

A great number of companies had been asked to bid, says Morris. He believes Norton was asked as well simply because it was in the Yellow Pages commercial directory. Since then, it has been one of the major installers of the IBM telephone exchanges, was its Norton also became involved in manufacture in the early 1970s. It began making automatic test equipment for STC and the other major suppliers. The key to its success then, very much as now, was its ability to respond rapidly and complete an order for equipment more quickly and cheaply than large companies could do internally.

However, in 1974 the company suffered major setbacks in the recession, particularly because its main customers—the large established telecommunications suppliers—began to cut back on sub-contracted work to do it internally.

The dependence on outside companies affected Norton's thinking and it began looking for a way to find its independence. After studying the leisure industry it decided to diversify into TV games. Norton claims it developed a game which was the first to have colour and considerable flexibility. Problems arose in getting the design completed of the necessary custom-made microchip for the game.

Norton saw an apparent goldmine fading as it missed the first Christmas period through technical problems. Then it was hit by low-priced competition from established semiconductor companies which used their substantial economies of scale to undercut Norton's specialist chips. Finally the TV game market collapsed for lack of demand.

For Norton the investment had been major. "It very nearly killed us," reflects Morris, who now believes the company should keep to the business it knows—telecommunications.

After the video games disaster Norton began another diversification—this time of markets. The two major areas it began to concentrate on were the Irish Republic and the Middle East,



Peter Morris: "The companies with the best products will want us to sell them"

selling anything from manhole covers to PABXs.

Norton has achieved more than one remarkable coup in the Middle East, where it sold 51 per cent of its subsidiary in January to its local partners. Earlier this year, in partnership with the Italian company Italtel, it won a sizeable contract for microwave communications. The main competitor was Nippon Electric Company of Japan, probably the leading international supplier of microwave communications systems. The contract is a significant feather in the cap of this small Luton-based company.

The Middle East now accounts for about 40 per cent of Norton's total turnover in the current year. The company hopes that considerable expansion in the UK will reduce its dependence on this area. Approximately 20 per cent of Norton's business still comes from the installation of the old-fashioned electro-mechanical Strowger PABXs, mainly in the UK.

Its Strowger business has been substantially lower than anticipated this year. Nevertheless Morris remains optimistic that there is still some life in the dying business of Strowger exchanges. Because of the recession companies are more likely to extend existing old systems than buy new electronic exchanges, he feels.

Probably less than 10 per cent of Norton's turnover is now the installation and wiring of IBM exchanges, which are looking relatively antiquated in

comparison with the current generation of digital electronic exchanges.

Norton has a small manufacturing operation in Hinckley, Leicestershire, making parts for the old-fashioned Strowger exchanges and logging equipment which monitors calls through private exchanges. It is also licensed to make other equipment. But, says Morris, "We are reshaping the company into a sales and marketing operation. If we become very good at that the companies with the best products will want us to sell them. It comes down directly to our greater ability to penetrate a market much better than outside companies."

Norton is currently owned by a small group of institutions and individuals, with two of the directors owning 24 per cent. Morris is, however, keen to achieve a public quotation for Norton although the timescale is not yet clear. One reason is to give Norton the financial muscle to acquire other companies in the field. "Liberalisation has given us the opportunity to seek acquisitions of substantial telecommunications companies which are lacking in direction," says Morris ambitiously.

He sees Norton as primarily a telecommunications marketing and installation company; this is why it is abandoning any attempts to do its own research and development. And for the same reason it is unlikely to extend its small manufacturing operations.

BOARDROOM BALLADS

EYE OF THE BEHOLDER

In the country of the blind
They say the one-eyed man is king;
But here, where most of us have eyes,
The Government won't see a thing.

Possibly we'll get the message
If they tell them all once more
That we're bumping on the bottom,
Not collapsing through the floor.

At least, it seems that what they see,
About their promise 'in the sky,
Requires perception of a kind
Denied the banks or CBI.

Acolytes of this religion
Must affirm that things are better,
Even though a few, disloyal
Businessmen are getting wetter.

For empty order books must be
The spiced artefacts of those
Who look, but have not eyes to see
The holy emperor's new clothes.

The sacred place from which the priesthood
Gains this transcendental view
Is mainly Downing Street and Whitehall,
Not the unemployment queue.

Companies appoint receivers,
Languish in intensive care,
Mainly since the non-believers
Will not see what isn't there.

Glasses for the unperceptive,
To reveal this growth and wealth,
Rumour has it are on offer
Gratis, on the National Health.

Bertie Ramsbottom

Next week: The executive commandments

Increased asset

I run a petrol station and some years ago made a deal with an oil company that, in exchange for the exclusive right to supply me with petrol for 10 years they would advance me £50,000 to turn the station into a self-serve unit. Two clauses in my contract were (1) that I was to complete the work in three years (this has been done) or else return any money not spent, and (2) I could terminate the contract at any time but would have to pay the oil company at £416.66 per month for the unexpired period.

In fact I had to spend considerably more than the money advanced by the oil company. 1. How can the Inland Revenue now claim that I have an increased asset, when the highest price I have been offered for the freehold is two-thirds what I could have got for it four years ago? 2. How can the Revenue claim that the £50,000 received from the oil company was a gift, taking into account my contract with the company?

Your accountants are really the only people who can help you, because they know the full background facts. We cannot quite see what is behind your questions, so our replies must be of limited value. 1. The

expenditure doubtless resulted in the drop in value being less than it otherwise would have been; so the expenditure effectively enhanced the value of the property. 2. The oil company's contribution to the expenditure was not a gift; it was made for commercial considerations.

Private company

I was surprised by your reply to the letter headed "Private company" in Business Problems on July 14. You state: "There will in all probability have been no dividends declared in a company (ie. private, limited) of the kind you mention..." I had hitherto believed that such companies were required by law to declare a dividend of 60 per cent of after-tax profits. I would be obliged if you could tell me whether I am wrong on this point, or if there some legal method of "avoidance"?

Your assumption is not correct. A private limited company (ie. any company which is not a public limited company) is not required to declare any dividend however large its profits.

Governors and guarantors

I should be very grateful for your comments on whether

the board of a company limited by guarantee has any obligation to admit guarantors as envisaged in the company's articles of association? Has the registrar of companies any powers in this area? This arises in respect of a non-profit making company whose principal object is the provision of housing management services. The articles of association say that the number of guarantors the company proposes to be registered is 50. At present the guarantors appear to be limited to the two subscribers, who are apparently also the sole guarantors. Incidentally, is it still possible to inspect a company's file in London? Where please?

There would normally be no obligation on the board to admit members where the number of existing members is below the limit provided in its articles—see Article 3 of Table C—but the articles themselves should be examined to see if there is any provision to the contrary. Inspection of the company's file would now have to be effected at the companies registry in Cardiff; it can no longer be done in London.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

OUR NEW BUSINESS CLASS IS THE SAME AS EVERYONE ELSE'S...



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Exclusively designed wider seats. More leg room. Never more than one seat from the aisle. Exclusive 747 cabin zone. Specially assigned cabin crew. A wider choice of meals. Quality wines. Royal Doulton china. Seat selection when booking. Special check-in counter. Baggage priority. 30 kilo baggage allowance. Lounge facilities at most airports.

You get all this in Singapore Airlines Business Class with one very special extra nobody else can offer. The kind of in-flight service even other airlines talk about.



هكنا من الأكل

Packaging

Slack trade and excess capacity characterise most sectors of packaging. But the industry has trimmed its labour and other costs and in programmes such as waste recovery is seeking to adjust to the demands of the eighties - as explained in this survey written by MAURICE SAMUELSON of our Industrial Staff.

Alert to society's changing demands

PACKAGING IS among the least understood yet most apparent phenomena of the industrialised world. And in the 1980s it is undergoing changes as profound as those in the 1970s, when the age of affluence passed its peak and the view began to emerge that many goods had been excessively and wastefully overpackaged.

To the extent that most people are at all conscious of packaging, they now readily identify it with the unpleasant spoil tips of the consumer society.

But that is only the familiar negative side of the coin. For the way in which society packages its food and its other commodities also reflects the quality of its life.

When the housewife does her shopping, it is the quality and price of the food on the supermarket shelf which seem to determine her choice and the way it is packed appears at best, a secondary consideration.

In fact the container itself influences the housewife's choice, playing the role of what has been called "the silent salesman."

Yet the superficial attractiveness of packaging is only one of its functions. Even more important are its ability to preserve and protect its con-

tents, to be handled and opened conveniently, and to keep down the contents' price.

Competing for this market—estimated in the UK at between \$3.7bn and \$4.6bn last year—are a constellation of as many as 25 separate industries representing the different materials and processes available. At the top come the large national and multinational companies such as Metal Box, Continental Can and United Glass but with a host of other medium and smaller-sized companies filling specialist and non-specialist niches.

The industry's growth in size has been the reason for increasing public interest in and awareness of its economic and environmental impact—a devel-

opment to which the packaging manufacturers have felt obliged to respond in a variety of ways.

To deal with criticisms of waste, manufacturers have stepped up their involvement in reclamation and recycling programmes. The aim is not only to reduce their own raw material and energy costs. The industry has also been anxious to demonstrate the responsibility it feels towards the consumer for the products it helps to sell.

At the same time self-interest, rather than social responsibility, is forcing the industry to try to increase its stake in packaging in the Third World in order to offset the difficulties being experienced in developed countries.

In their home markets, however, the western packaging manufacturers face the problems not of expansion but of contraction. Like the rest of the industry, they have had to respond by cutting capacity and trying to raise their efficiency. As a result the industry and the goods it produces will be not only leaner and tighter in the 1980s but in many instances startlingly different.

In Britain lower spending power is already leading to slimmer forms of packaging and to a tendency to sell goods in smaller portions exemplified by "one shot" drinks containing as little as a fifth of a litre.

An element of unpredictability has also crept into the assumptions about which

materials are most suitable for packaging which commodities. In the past metal, glass and paper used to dominate well-defined areas. Now no one material dominates the packaging scene or any one part of it and there is a growing trend towards more flexible containers embodying a variety of materials.

Yet in their home markets too, the packaging manufacturers influence more than just the containers they provide. Metal Box, for example, is playing an important role in the UK in developing the foods which will sell best both in existing containers and in new types such as plastic food "cans" whose entry to the market place is now surprisingly close.

Changing social habits are involved in such curious novelties as the sale of liquid soap dispensers. This is creating a new market for plastic bottles and valves and will attack the position of paper-wrapped bars of soap. Even the metal tube of toothpaste might find itself challenged by a wall-mounted dispenser.

The vogue for take-away meals, which has led to the U.S. being described as "the grazing society," as well as long-haul airline flights have given a big fillip to the aluminium foil container market.

The marketing and distributive functions of attractive and well thought out packaging may also be intensified as a result of the competitiveness of the 1980s

and of the rise of the super-market.

This trend was highlighted in a recent report by Euromonitor Publications* of London which concluded that effective packaging could form the basis for successfully launching new products. Changes in packaging, it added, "can endanger the position of a brand leader and revive the fortunes of the also-rans. In other words, packaging can hold the key to success in a more positive way than any other factor in the marketing mix."

The importance of the self-service supermarket can be gauged from the fact that by 1980 they had come to account for more than one third of food sales in the UK and 15 per cent of total retail sales. As a result self-service has been introduced into many other shops as well, exposing the customer to the direct influence of the packaging when it comes to deciding what to buy.

Meanwhile, although packaging manufacturers have plunged into a welter of recycling schemes, the public sensitivity about waste has not abated and may continue to be expressed in legislative moves on packaging.

In Britain, for example, this might lead to some form of tax, ranging from 1p to 5p per container, on the non-returnable can, bottle or hybrid pack.

* The Packaging Report, 1982, Euromonitor Publications, 18 Doughty St, London WC1N 2PN. (136 pages.) £96.

CONTENTS

Plastics	II
Metal	II
Paper and board	II
Glass	II
Recycling	III
Machinery	III
Flexible containers	III











CONTRACT PACKAGING: A small, discreet but expanding sector of the industry is formed by companies performing packing operations for manufacturing clients on a contract basis. As shown by the illustration above of sachets by Lancepack, one of the leaders in the field, clients include big brand names.

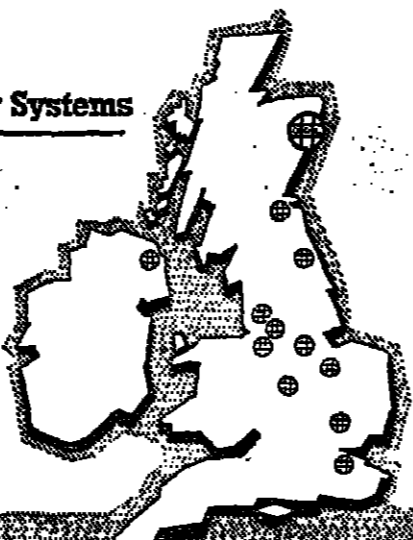
ESTIMATED UK MANUFACTURERS' PRODUCTION/SALES OF PACKAGING MATERIALS

	1977	1980	1981
Paper for packing and wrapping ('000 tonnes)	142.0	138.3	114.3
Paper sacks (m units)	1,045.0	934.0	892.0
Paper bags and carrier bags ('000 tonnes)	102.0	81.0	74.2
Fibreboard cases† (m square metres)	2,429.5	2,397.3	2,395.2
Carton board for folding cartons ('000 tonnes)	558.0	508.0	487.0
Rigid paperboard boxes ('000 tonnes)	63.9	48.3	36.6
Regenerated cellulose film* ('000 tonnes)	76.6	78.0	74.7
All thermoplastic materials ('000 tonnes)	640.0	692.5	710.5
Glass containers (m units)	6,548.0	6,406.0	6,075.0
Closures (bn units)	15.8	15.3	14.7
Trampoline for container manufacture ('000 tonnes)	899.0	718.0	715.0
Aerosols (m units)	532.0	498.0	489.5
Steel drums, new and reconditioned (m units)	39.6	33.5	32.5
Aluminium foil ('000 tonnes)	38.7	39.4	n.a.
Metal collapsible tubes (m units)	584.0	550.0	575.0
Jute sacks (m units)	58.7	50.9	48.5
Wooden pallets ('000 units)	14.5	13.6	10.7
Laminates ('000 tonnes)	122.1	129.7	114.9

† BFPA members. * Total sales figures. These are not synonymous with home sales by virtue of the large export element. Sources: Trade associations; Department of Industry; industry estimates.

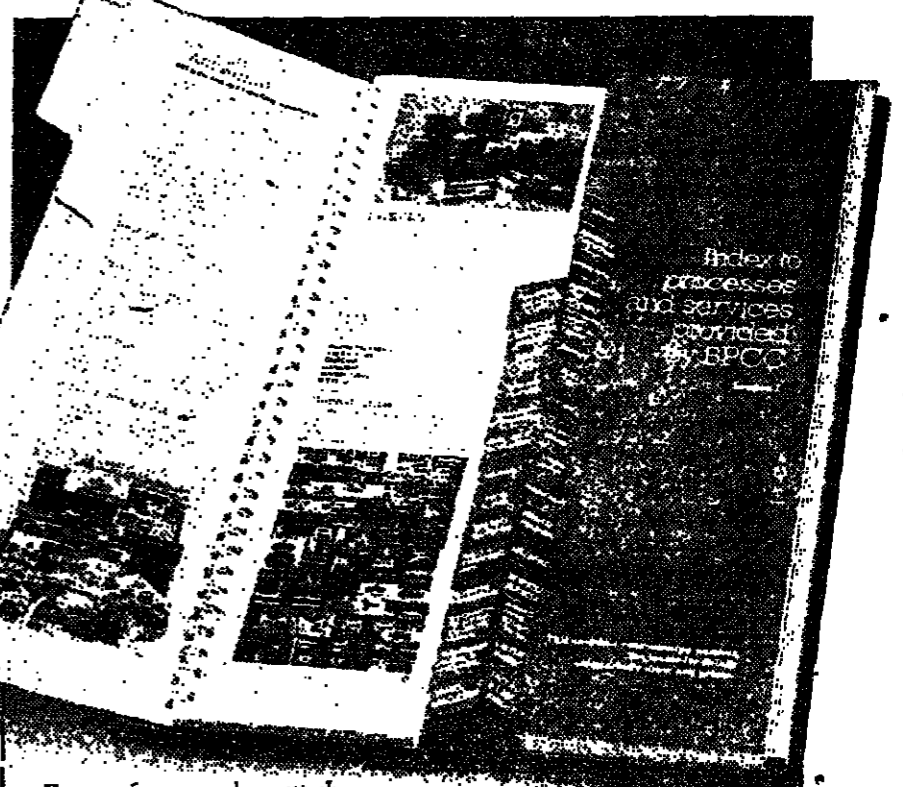
THE PACKAGE

-  **C. Davidson & Sons**
Bucksburn, Aberdeen
DAVIDSON'S Packaging Boards
-  **The Radcliffe Paper Mill Company**
Radcliffe, Manchester
Packaging Boards, Papers and Tubes
-  **Davidson Radcliffe Secondary Fibres**
Bolton, Thornley & Aberdeen
Wastepaper Processors and Merchants
-  **The Congleton Board Company**
Congleton
Laminated Packaging and Display Boards
-  **Chambers Packaging**
Beeston, Nottingham
Solid Fibreboard Containers
-  **Davidson Packaging**
Ruddington, Herford, Edinburgh & Aberdeen
Flexible Packaging
-  **Lander Cartons**
Birmingham, Erith & Aberdeen
Cartons, Labels and Packaging Systems
-  **Abertay Paper Sacks**
Aberdeen, Bangor & Wisbech
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NO-ONE IN PACKAGING OR LABELLING CAN BE WITHOUT IT

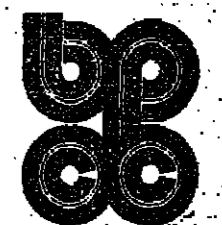
To anyone in packaging or labelling, the BPCC's new full colour 86-page Guide is indispensable. It lists alphabetically the many products, processes and services available from 35 plants around Britain which make up the Corporation, the world's largest printing, packaging, labelling and publishing group.



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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY

Wednesday August 25 1982

UK depression confirmed

THE APOLOGIES offered in... THE APOLGIES offered in... THE APOLGIES offered in...

Consistent

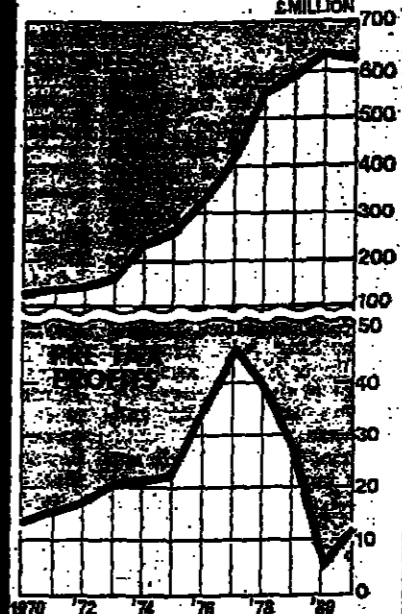
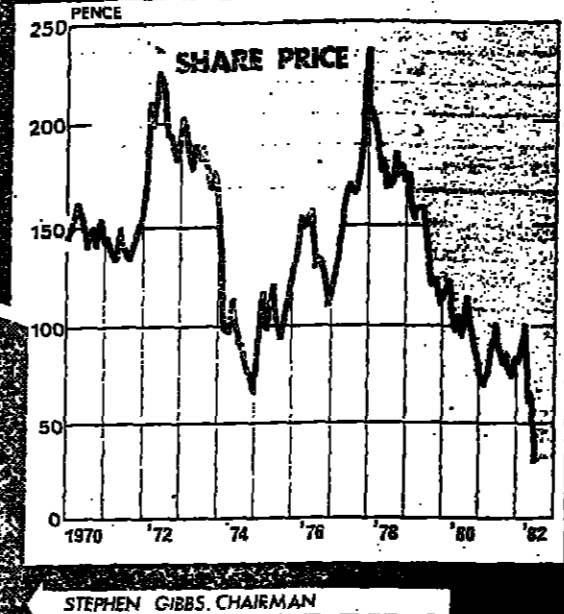
The more heated Government supporters who accused the CBI of political betrayal... The more heated Government supporters who accused the CBI of political betrayal...

Italy: unsteady as she goes

ITALY'S politicians have once again bewildered the world... ITALY'S politicians have once again bewildered the world...

IN A modern, austere office block on the banks of the muddy River Irwell in Manchester... IN A modern, austere office block on the banks of the muddy River Irwell in Manchester...

TURNER AND NEWALL THE FINANCIAL RECORD



profit margins remained severe... profit margins remained severe... profit margins remained severe...

apparently could not be found... apparently could not be found... apparently could not be found...

established habits, even when changing circumstances had clearly made them obsolete... established habits, even when changing circumstances had clearly made them obsolete...

at the corporate level in 1976... at the corporate level in 1976... at the corporate level in 1976...

THE GREAT ASBESTOS CONTROVERSY

THE RECENT outcry over asbestos-related disease is the latest in a series of controversies... THE RECENT outcry over asbestos-related disease is the latest in a series of controversies...

which are used to screen out the potential for, or incidence of, lung damage... which are used to screen out the potential for, or incidence of, lung damage...

In the U.S.—which have been exposed to asbestos... In the U.S.—which have been exposed to asbestos... In the U.S.—which have been exposed to asbestos...

paper, the Asbestos Litigation Reporter... paper, the Asbestos Litigation Reporter... paper, the Asbestos Litigation Reporter...

Men & Matters

Off the air William Paley's career at CBS has spanned almost the whole history of broadcasting... Off the air William Paley's career at CBS has spanned almost the whole history of broadcasting...

Overdue What started 47 years ago with the discovery of a 400-year-old wreck off the south coast of England... Overdue What started 47 years ago with the discovery of a 400-year-old wreck off the south coast of England...

Out of view When the news gets really depressing, there is always a temptation not to press it... Out of view When the news gets really depressing, there is always a temptation not to press it...

Cover point See what can happen if you take an American to a cricket match... Cover point See what can happen if you take an American to a cricket match...

Hine The experience is unforgettable. Just remember the name. HINE The connoisseurs cognac.

Companies and Markets

UK COMPANY NEWS

Bairstow Eves profits on target at six months

Bairstow Eves, which obtained full Stock Exchange listing in June this year, reports pre-tax profits for the half year to June 30 1982 of £21,310,000...

Lasmo rises to £64m pre-tax and pays more

PRE-TAX profits of London and Scottish Marine Oil (Lasmo) have risen by 59.2m to £64.2m for the first half of 1982. But attributable earnings, including £5.5m last year arising from the sale of 1.5m barrels of "make-up oil", have slipped from £24.1m to £23.7m.

production in Indonesia of 5,000 bopd which is expected to rise substantially as the Lajang, Mengkapan and Kakap fields, currently under development or awaiting development, are brought into production in 1983...

Exco sharply higher midway

TAXABLE PROFITS of money broker Exco International advanced sharply from \$3m to \$6.45m for the six months to June 30 on higher turnover of \$20.55m, compared with \$18.68m an increase of 23 per cent.

Fife Indmar profit rises to £397,000

Pre-tax profits at Fife Indmar for the six months to June 30 1982 advanced from £275,000 to £397,000 on turnover up from £5.02m to £5.88m.

Charterhouse Petroleum rises to £6m in first six months

PRE-TAX PROFITS of Charterhouse Petroleum in the six months to June 30 1982 rose from \$5.24m to \$6.02m, on turnover up from \$9.91m to \$10.83m. Profit from oil production before duty advanced from \$5.55m to \$6.57m.

Fairclough climbs 31% in first half

FIRST-HALF 1982 turnover of Fairclough Construction Group has risen by 31 per cent from £116.5m to £152.8m, while pre-tax profits have shown a 31 per cent increase from £5.13m to £6.74m.

Good Relations' interim profits up by £90,000

TAXABLE PROFITS of the Good Relations Group rose by £90,000 to £203,000 during its first half year as a public quoted company covering the period to and June 1982.

Highlights

After commenting on the financial markets in the light of the trade figures, the bulling issue by EDF of France and the sharp upswing in gold to over \$400, Lex moves on to consider the main company news of the day. Exco has reported an increase in pre-tax profits from £3m to £6.45m.

The Independent Investment Company PLC. AN INVESTMENT TRUST COMPANY WHOSE POLICY IS TO ACHIEVE CAPITAL GROWTH THROUGH INVESTMENT IN TECHNOLOGY COMPANIES.

Results benefited from higher production in the Thistle field, increased interest income and the lower rate of deferred tax. The fall in the value of the pound offset weaker dollar oil prices.

comment. Fairclough is one of those companies which perennially does better than the City expects. The latest figures are no exception and yesterday the share price hit an all time high with a 7p rise in 1980.

FAIRCLOUGH Fairclough Construction Group p.l.c. 6 months ended 30th June, 1982. Turnover 126,808. Profit before taxation 6,742. Profit after taxation 3,236.

Dowty expects further improvement this year

FURTHER PROGRESS is expected by Dowty Group during the current year ending March 31 1983, says Sir Robert Dowty, chairman of the company.

Apex slips to £303,000

Slightly reduced net profits have been produced by Apex Properties for the year to March 31 1982 from £344,000 to £303,000.

LMI ahead after first three months

Mr C. M. Biddow, the chairman of London and Midland Industrial, tells members in his annual statement that current trading results of the continuing business show progress.

Yearlings down

The interest rate for this week's issues of local authority bonds is 10 per cent, down three-eighths of a percentage point from last week and compares with 14 per cent a year ago.

Gillett Brothers Discount Company PLC. The directors of Gillett Brothers Discount Company PLC have declared an interim dividend payable on 20th September, 1982, of 7% (1981 7%) on the ordinary share capital of the company.

OIL AND ASSOCIATED INVESTMENT TRUST PLC. Extracts from the Statement of the Chairman, Major A. S. W. Joseph, in respect of the year ended 31st March, 1982.

M. J. H. Nightingale & Co. Limited. 1981-82 High Low. Company. Price Change div. (p) % Actual Yield Fully Paid.

Table with columns: Company, Price Change div. (p), % Actual Yield, Fully Paid. Includes entries for 128 120 Ass. Int. Ord., 138 105 No. B. Ind. CUL.

BOARD MEETINGS. The following companies have notified dates of board meetings to the Stock Exchange. Meetings are usually held for the purpose of considering dividends.

DIVIDENDS ANNOUNCED. Table with columns: Company, Current payment, Date, Corro. Total, Total. Includes entries for AI Industrial, American Trust, Apex.

THE TRING HALL USM INDEX 128.3 (+0.7). Close of business 24/8/82. Tel: 01-638 1891. BASE DATE 10/11/80 100.

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol., Last, etc. Includes sub-sections for Oct, Jan, April, and May.

UK COMPANY NEWS

BIDS AND DEALS

Allied Residential loss-makers to go

By CHARLES BATCHELOR. Allied Residential, the house-building group whose 1981 profits fell far short of its stock market placement forecast, is to close or sell a number of loss-making properties...

SHARE STAKES

Electrocomponents - Clerical, Medical and General Life Assurance Society is interested in 5.24m ordinary (5.17m ordinary previously).

J.C. Bamford expects sharp profit upturn

J. C. Bamford, the private, Staffordshire-based earthmoving equipment company, is aiming for a substantial improvement in profits this year despite depressed market conditions...

Gerrard & National N.Y. office closure

Gerrard and National is to close its New York office on September 3. Trading in Euro-dollar Certificates of Deposit and other instruments will continue as previously from the London office...

SHARE STAKES

Arden Electric; Malcolm Muttin, a director, has acquired 25,000 ordinary shares from a D. Levy.

LONDON TRADED OPTIONS

Table of LONDON TRADED OPTIONS with columns for Option, Exercise price, Closing offer, Vol., etc. Includes sub-sections for Oct, Jan, April, and May.

BASE LENDING RATES

Table of BASE LENDING RATES listing various banks and their rates for different terms.

RESULTS AND ACCOUNTS IN BRIEF

WINTERBOTTOM ENERGY - As a result of August 13, 1982, with 42% after deduction of prior charges at prior charges at market value.

SHARE STAKES

Arden Electric; Malcolm Muttin, a director, has acquired 25,000 ordinary shares from a D. Levy.

LE VALLONET

The listing of Le Vallonet Co has been cancelled, over 36 per cent of the company having been acquired by Atlantis Resources International.

The Hongkong and Shanghai Banking Corporation

Incorporated in Hong Kong with limited liability

Announcement

1982 Interim Results. The Directors announce that the unaudited profit of The Hongkong Bank Group for the six months ended 30 June 1982 was HK\$81.5 million (1981: HK\$69 million), an increase of 18.1%.

Table showing financial results for 6 months to 30 June 1981 and 6 months to 30 June 1982, including Net profit, Profit attributable to outside shareholders, etc.

The following Consolidated Balance Sheet details are also given for the information of shareholders:

Table showing Consolidated Balance Sheet details for 31 December 1981 (audited) and 30 June 1982 (unaudited), including Gross Assets and Shareholders' Funds.

Prospects for the rest of 1982. High interest rates and tight monetary policies have continued to inhibit economic growth in the major industrialised nations.

Closing of Register of Shareholders. The Register of Shareholders of the Bank will be closed from 13 September until 24 September 1982 (both dates inclusive).

By Order of the Board. F R Frame Secretary. Hong Kong, 24 August 1982

Advertisement for CORFO (Chile's Production Development Corporation) International Public Tender for shares of BANCO CONTINENTAL.

HOWDEN GROUP (engineer and specialist in design and manufacture of air, sea and land handling equipment) - Results for year ending February 28 1982 already known.

GRAND SHIPBUILDING - Results for year ending March 31 1982 reported July 16. Shareholders' funds £19.15m (£19.00m).

REARON SMITH LINE (bulk carrier and tanker fleet operator) - Results for year to March 31 1982 reported August 17.

STEINBERG GROUP (leisure clothing and accessories) - Results for year to March 27, 1982 reported on July 30.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Bulldog bond for Electricite de France

By Our Euromarkets Correspondent
ELECTRICITE de France is raising £70m through the issue of a 26-year bulldog bond in the London market.

Nafinsa commercial paper line unwound

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT
MEXICO'S state development bank, Nacional Financiera, has quietly wound down its commercial paper line in New York.

Second Tigr issue by Merrill Lynch

By Our New York Staff
MERRILL LYNCH, the Wall Street investment firm, is to follow up its innovative launch of deeply discounted zero coupon investment certificates backed by U.S. Treasury bonds with a second issue.

Deere earnings plunge as world sales volume falls

BY PAUL TAYLOR IN NEW YORK

DEERE and Company, the large U.S. farm equipment manufacturer, only just managed to make a profit in the latest quarter, recording its fourth consecutive decline in net income.

Occidental bid for Cities 'inadequate'

By Our New York Staff

THE BOARD of Cities Service has described Occidental Petroleum's \$50 a share bid for half of the oil company's outstanding shares as "inadequate".

Further loss for Harnischfeger

BY OUR FINANCIAL STAFF

THE ANNOUNCEMENT of another loss in the third quarter of this year by Harnischfeger, the Wisconsin-based manufacturer of construction, mining and material handling equipment is coupled with news that it has been obliged by its institutional lenders to forgo dividend payments until April next year.

for the third quarter, against a net profit of \$19.7m or \$1.99 a share last year. Sales dropped from \$188.9m to \$85.8m.

bid interest, but both Paccar, the U.S. locomotive manufacturer, and Mannesman, the West German steel and engineering group, withdrew their respective offers after encountering efficient and convenient means of transporting products from manufacturer to the purchasers.

Terry Byland, recently in New York, looks at the ship-container leasing industry

Flexi-Van aims to win battle for survival

THE SHIP container leasing industry has not enjoyed the best of fortunes in the past few years. After a heady start in the 60s and 70s when the growth in container usage and the application of leasing principles created an industry with a glittering track record, times have turned hard.

in world ship container leasing, admitted in New York that business was still "relatively flat".

over the physical movement of the group's containers. The cut in planned capital expenditure on further capacity meant, in effect, a reduction in purchases of new containers.

financially orientated business of the 60s when only the cost to the customer mattered, to a more customer-oriented operation, where the practical trading benefits to the customer rank highest.

The new policies evidently have the support of Mr David Murdoch, the multi-millionaire entrepreneur who became chairman of Flexi-Van last September—a move widely seen as a defence of his stake of around one quarter of the group equity.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday September 14.

Table with columns: U.S. DOLLAR, STRAIGHTS, Bid, Offer, Change, Yield. Lists various international bond issues like Amex Int. Fin. 14 88, BNP Finance 14 88, etc.

National Distillers sells stake in Taiwan group

BY ROBERT KING IN TAIPEI

NATIONAL DISTILLERS Corporation of the U.S. plans to sell its 43 per cent share in USI Far East (Taiwan). A major Taiwan petrochemical manufacturer, and has already asked the Government to approve the transfer of its shares to a Hong Kong investment company, a company official has said.

been suggested, however, that the withdrawal may be due to the company's recent lack of profitability. USI made net losses of about \$7m in calendar year 1981 and there are fears that the losses will continue this year.

Braniff asks court for pension funds default

BY OUR NEW YORK STAFF

BRANIFF International Corporation, the parent company of the Texas-based Braniff Airways which ceased operations on May 12, has asked a Federal judge to throw into default four pension funds covering nearly 9,400 former employees and retired employees.

Federal Government. If the court action is successful, it could lead to the biggest government payout to a pension plan in recent years.

U.S. Iveco sees surplus

BY OUR FINANCIAL STAFF

THE U.S. subsidiary of Iveco, Europe's second largest commercial vehicle manufacturer, will make a small net profit this year and if the American economy picks up a "considerable" profit in 1983, according to Mr James Bostic president of Iveco Trucks of North America.

and another 50 per cent jump in 1983. Iveco's fortunes in the U.S. have changed for the better since it concentrated mainly on selling diesel engine chassis cabs—the U.S. van-to which American companies add their own bodies.

DAEWOO CORPORATION U.S. \$20,000,000 MULTICURRENCY LETTER OF CREDIT AND REFINANCING FACILITY MANAGED BY STATE BANK OF INDIA AND PROVIDED BY STATE BANK OF INDIA ARAB BANKING CORPORATION (ABC) ARAB BANK FOR INVESTMENT AND FOREIGN TRADE (ARBIFT), Abu Dhabi BANK OF BARODA (Offshore Banking Unit, Bahrain) LIBYAN ARAB FOREIGN BANK, TRIPOLI UNION DE BANQUES ARABES ET FRANCAISES—U.B.A.F. (Bahrain Branch) Agent and Issuing Bank STATE BANK OF INDIA APRIL 1982

COMMODITIES AND AGRICULTURE

Companies and Markets

California expects big almond crop

CALIFORNIA expects another large almond crop this year with the California Livestock and Crop Reporting Service predicting 365m meat-pounds—the third largest ever. This follows a record crop in 1981, an 11.2 per cent gain in exports and a 21 per cent gain in U.S. domestic consumption of almonds in the season to July 1982.

Stronger pound lowers copper

BASE METAL markets showed increasing signs of nervousness about the "boom" in the stock markets and gold yesterday. After initially moving up, copper came under selling pressure and the higher grade cash price closed \$14 lower at \$856 a tonne. Aluminium, lead, nickel and zinc also ended lower.

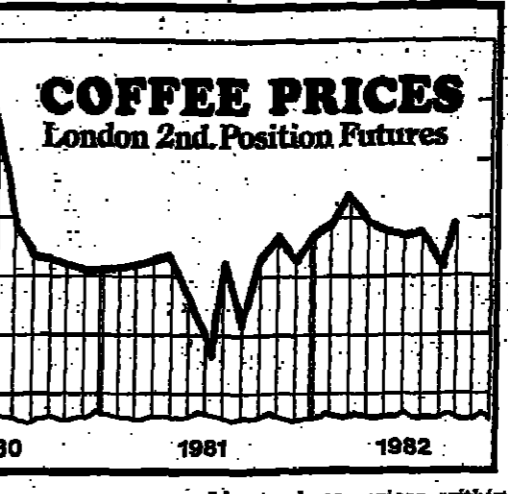
Japanese to boost metals stockpile

TOKYO — Japan plans to increase its stockpile of 11 rare metals, including nickel and chrome, in a five-year project beginning next April, the Ministry of International Trade and Industry said yesterday.

MARKET PROFILE/COFFEE

Surplus threat builds up

AS a mild winter draws to a close in Brazil, and the risk of damaging frosts recedes, the long-range forecast for the world coffee market looks gloomy.



(ICCA) threat. With the present agreement due to expire at the end of September, and its extension for a further year made conditional upon the prior negotiation of a new pact to take its place in October 1983, talks have so far failed to close the gap between different members' aspirations.

Agreement reached to cut rubber supply

KUALA LUMPUR — The Association of Natural Rubber Producers has reached an agreement in principle on measures to hold back 350,000 tonnes of natural rubber from the world market over the second half of the year, delegates said.

EEC offers aid for India tobacco

By D. P. Kumar in New Delhi THE EEC is willing to assist India in a project to produce, process and manufacture tobacco for export to the community.

Australian wheat chief warns of price war

TOOWOOMBA, QUEENSLAND — The world wheat market could suffer a price war because of the Australian Wheat Board's (AWB) surplus wheat exports, Sir Leslie Price, chairman of the AWB, said yesterday.

LONDON OIL SPOT PRICES

Table with columns: Crude Oil - FOB (per barrel), Arabian Light, Arabian Heavy, Brent, etc. Includes prices and changes from previous day.

GAS OIL FUTURES

Table with columns: Month, Year's gain or loss, Business Done. Lists futures contracts for gas oil.

BRITISH COMMODITY MARKETS

Table listing various commodities like Wheat, Barley, Beans, etc. with prices and market status.

PRICE CHANGES

Table showing price changes for various commodities, categorized by metal, oil, and other goods.

AMERICAN MARKETS

Table listing market data for various commodities in the US, including oil, grains, and metals.

GOLD MARKETS

Gold continued to rise sharply in the London bullion market yesterday, gaining \$18 to \$411-\$412. It opened at \$398-\$399, the lowest level of the day, and touched a peak of \$414-\$415.

LONDON FUTURES

Table showing futures prices for gold, silver, and platinum.

COPPER OFFICIAL

Table with columns: High Grade, Cash, 3 months, etc. for copper.

SILVER

Table with columns: High Grade, Cash, 3 months, etc. for silver.

Monday's closing prices

Table listing closing prices for various commodities on Monday.

Commodity Analysis (Brokers) Ltd. Specialists in Commodity and Currency Discretionary Accounts. Minimum account size £25,000. Contact: Mark King or Jeremy Metcalfe.

PLANT AND MACHINERY FOR SALE BY AUCTION. Includes descriptions of various types of machinery and equipment.

CLASSIFIED ADVERTISEMENT RATES. Table showing advertising rates for different types of classified ads.

COFFEE. Following early losses good trade forecast a steady market, reports David Burnham Lambert. Includes market analysis and prices.

COFFEE. Following early losses good trade forecast a steady market, reports David Burnham Lambert. Includes market analysis and prices.

COFFEE. Following early losses good trade forecast a steady market, reports David Burnham Lambert. Includes market analysis and prices.

INDICES FINANCIAL TIMES. Table showing financial indices and market performance.

EUROPEAN MARKETS. Table listing market data for various commodities in Europe.

CLUBS. Advertisement for various clubs and organizations.

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ENERGY REVIEW

The future for French nuclear power

By David Fishlock, Science Editor

RADIO-ACTIVE waste is the most sensitive nuclear issue today in France...

France, however, has not been immune from the effects of economic recession...

It expects greater difficulty finding sites for these repositories than for more nuclear reactors...

But in less than a decade since France launched its big nuclear programme based on the Westinghouse pressurised water reactor...

Last winter they began to discover the drawbacks of six-reactor sites...

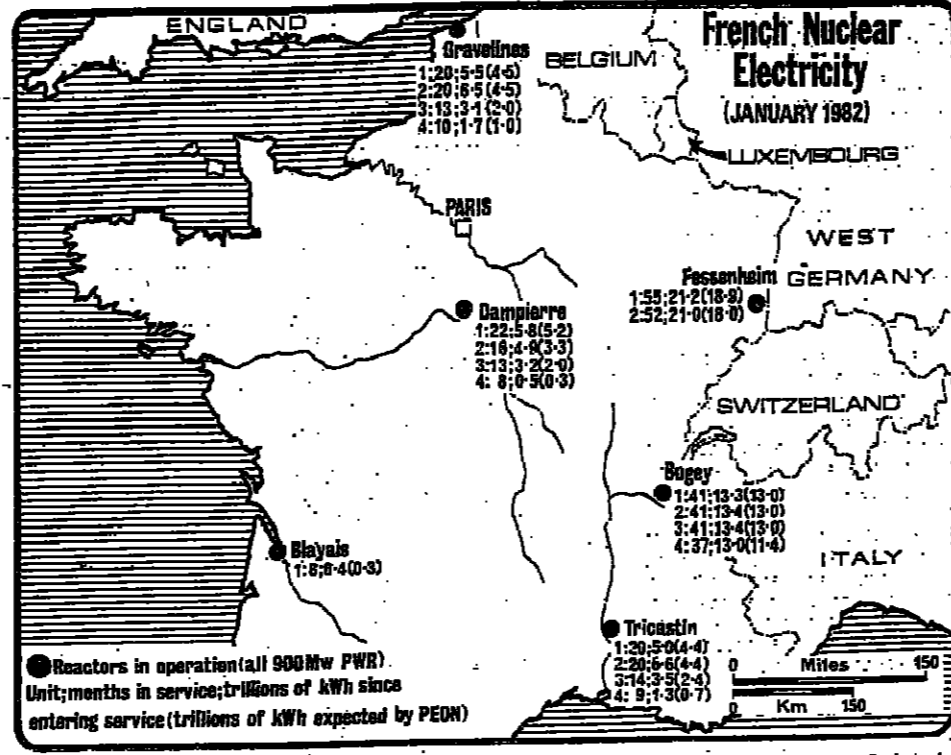
The French have never treated the Westinghouse PWR as an "off-the-shelf" technology transfer...

M. Carle, who took responsibility for construction from M. Michel Hug early this year...

No French nuclear engineer claims that the programme was trouble-free.

The N4 reactor is closely allied to the new French turbo-generator, Arabelle...

One major result of this R and D is a French design of



French Nuclear Electricity (JANUARY 1982)

has ordered two sets and taken an option on six more. Does the fast reactor have a place in this programme?

France is no nearer answering the question of what to do next about commercial fast reactors.

Should such a decision be taken, M. Carle is confident that EDF would have no difficulty in finding a site.

Who else offers you such a choice on the motorway?

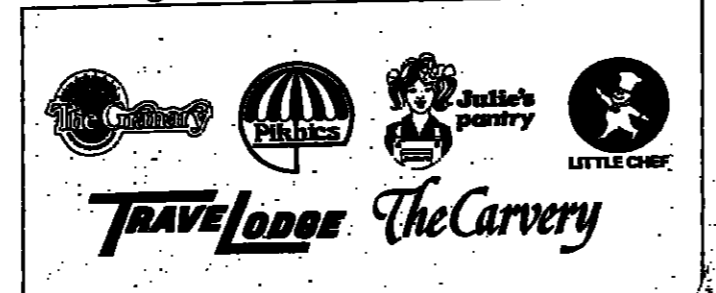
You'll welcome the choice, value and quality that only Trusthouse Forte offers you on the motorways today.



We promise you clean, attractive and relaxing surroundings, and a welcome for all the family.



Visit our newly styled Granary self-service restaurants. Select from a choice of hot and cold meals.



Another favourite is Julie's Pantry. And no wonder! Our natural hamburgers have been voted the best in the country.

Our attractive Trav Lodge motels offer you comfortable rooms at an attractive price. You'll find all brands of petrol at competitive prices, that's



because we price all our pumps in line with service stations off the motorway, and we tell you our prices well in advance.



supporting team, from expert buyers to food technologists - all committed to ensuring that our most demanding hygiene and quality standards are always achieved.

Yours faithfully, Trusthouse Forte



TRAVEL LODGE BOOKINGS: 01-5673444 OR 061-969 6111

THE MOTORWAY SERVICES: M1 SCRATCHWOOD * NEWPORT PAGNELL * WOODALL M6 CORLEY, KEELE, CHARNOCK RICHARD * M62 BURTONWOOD

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for New York market, including columns for Stock, Aug 23, Aug 24, and Aug 25.

STOCK

Table of stock prices for various international markets, including columns for Stock, Aug 23, and Aug 24.

Early profit-taking on Wall St

FOLLOWING Monday's further upsurge to an eight-month high, Wall Street Blue Chips retreated yesterday morning as the institutions started taking profits...

long-term political future when the lease from China on the new territories expires in 1997...

Germany Bourse prices displayed an easier tendency, falling to maintain the recent advance despite Wall Street's further surge...

Switzerland Suoored by the continued sharp Wall Street rally and Monday's reduction in rates for medium-term notes...

Australia Metal Mining and some Oil and Gas issues led markets into higher ground at the outset...

Johannesburg Diamond issue De Beers featured weakly on news of a halved interim dividend...

Hong Kong Despite the further upsurge on Wall Street overnight, Hong Kong markets turned sharply lower yesterday...

Closing prices for North America were not available for this edition.

Table of closing prices for various international markets including Canada, Belgium, Holland, Australia, Japan, Denmark, France, Italy, Norway, Sweden, and Switzerland.

INDICES

Table of various stock indices including Dow Jones, Standard and Poors, and NYSE All Common.

STANDARD AND POORS

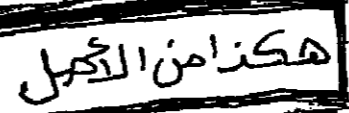
Table of Standard and Poors indices and related data.

NEW YORK ACTIVE STOCKS

Table of New York active stocks and trading volumes.

FINANCIAL RATES

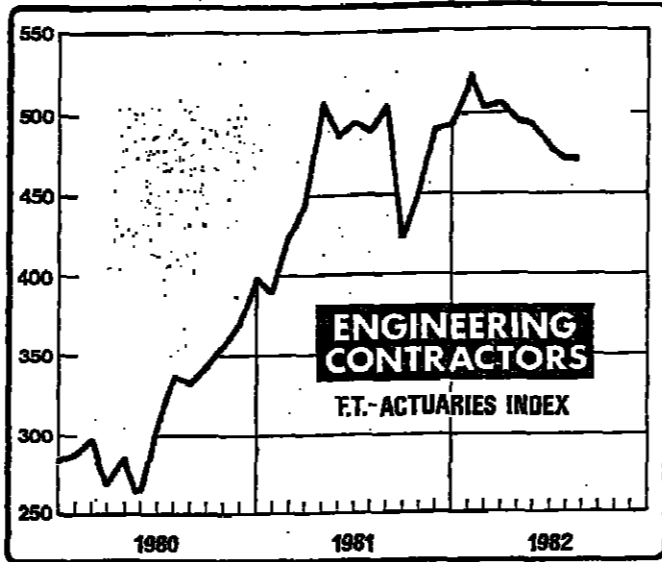
Table of financial rates including interest rates and exchange rates for various currencies.



Gilt-edged falter despite cut in money market rates
Economic worries override Wall St and equities fall

Account Dealing Dates
Option
*First Declara- Last Account
Dealings Dealing Day
Aug 16 Sept 2 Sept 3 Sept 13

Early gains of several pence in leading shares were soon replaced by small losses as institutional investors continued to hold off and occasional offerings found markets unwilling.



Marked up to 281p at the outset, Grand Metropolitan subsequently met with selling and came back to close 4 cheaper on the hand.

finished with modest gains. Continental and Industrial added 5 for a two-day gain of 12 at 282p.

Confidence in Gilt-edged appeared to wane in the face of firmer short-term U.S. interest rates overnight. Dealers offered quotations lower anticipating profit-taking, but selling was not unduly heavy and a rallying tendency developed.

Standard easier
Fresh weakness in Hong Kong prompted a sympathetic decline in Standard Chartered, which has substantial interests there, the close being 10 down at 380p.

Legal and General added 4 at 251p and Prudential improved 3 to 279p.

ding 4 to 186p and Dixons 3 to 172p.

Leading Electricals repeated Monday's performance, drifting lower after a firm start on lack of follow-through support.

Golds easier
South African gold shares finally ran out of steam after rising for nine consecutive sessions.

The recovery gained momentum when the authorities cut their intervention rates in UK money markets yesterday, signaling approval for another reduction in clearing bank base rates.

London United Investments, at 197p, recorded an above-average gain of 7 among quietly firm Composite Insurances, GIB, the next to report half-yearly figures on September 1, appreciated 4 to 306p.

Trade in leading Buildings contracted and the tone became irregular. Barrat Developments edged up a few pence to 318p, but Taylor Woodrow gave up 5 at 538p and Costain shed 3 to 242p.

Quiet conditions prevailed in Properties and the leaders closed a shade firmer. After the previous day's fall of 9, MEPC opened higher at 180p before setting a penny dearer on balance at 188p.

Business in Traded Options remained relatively low with 1,594 contracts done. One again gold shares attracted the lion's share of the trade.

Business in Traded Options remained relatively low with 1,594 contracts done. One again gold shares attracted the lion's share of the trade.

Table with columns: Govt. Secs., Fixed Interest, Industrial Ord., Gold Mines, etc. and rows for various dates (Aug 24, Aug 23, Aug 20, Aug 19, Aug 17, Aug 16, A year ago).

Table with columns: High, Low, High, Low, Aug 23, Aug 20. Section: HIGHS AND LOWS.

Table with columns: Daily Gilt-edged, Daily Shares, Daily Equities. Section: S.E. ACTIVITY.

Marked up to 281p at the outset, ICA encountered a certain amount of selling and related to close a net 6 down at 286p.

Investment Trusts continued to move against the trend and

Table with columns: Stock, Closing price, Day's change, etc. Section: ACTIVE STOCKS.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table with columns: EQUITY GROUPS & SUB-SECTIONS, index No., Day's Change, etc. Includes sections for CAPITAL GOODS, BUILDING MATERIALS, etc.

NEW HIGHS AND LOWS FOR 1982

Table listing various stock categories and their high and low values for 1982.

APPOINTMENTS

Senior post at De Beers
Mr Julian Ogdive Thompson was appointed deputy chairman of DE BEERS CONSOLIDATED MINES at yesterday's board meeting.

CONTRACTS

£2.4m factory work for Babcock Woodall-Duckham
Babcock Woodall-Duckham has been appointed project manager and main contractor for the design, procurement and construction of a factory for the Co-operative Wholesale Society at Workson in Nottinghamshire.

RISES AND FALLS YESTERDAY

Table showing price changes for various stock categories like British Funds, Foreign Bonds, etc.

EQUITIES

Table listing various equity stocks with columns for Stock, High, Low, etc.

FIXED INTEREST STOCKS

Table listing various fixed interest stocks with columns for Stock, High, Low, etc.

"RIGHTS" OFFERS

Table listing various rights offers with columns for Stock, High, Low, etc.

ACTIVE STOCKS

Table listing active stocks with columns for Stock, Closing price, Day's change, etc.

MONDAY'S ACTIVE STOCKS

Table listing Monday's active stocks with columns for Stock, Monday's closing price, Day's change, etc.

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Companies and Markets CURRENCIES and MONEY

Dollar very weak

The dollar weakened sharply despite a slight rise in Eurodollar interest rates. The downward trend of the U.S. currency was encouraged by better than expected trade figures from the UK and Germany, lower U.S. inflation, and a further injection of \$1.5bn by the Federal Reserve to the U.S. banking system.

July, increasing speculation of a cut in the discount and Lombard rates tomorrow. The trade surplus of DM 3.7bn was in line with expectations. At the fixing the dollar fell to DM 2.4307 from DM 2.4598, without any intervention by the German central bank.

STERLING - Trade-weighted index 91.8 against 91.6 at noon, 91.7 at the opening, 91.6 at the previous close, and 90.8 six months ago. Three-month interbank 10 1/8 per cent (14 per cent six months ago). Annual inflation 5.6 per cent (5.8 per cent previous month).

FRENCH FRANC - EMS member (third strongest). Trade-weighted index 73.7 against 73.6 on Monday, and 73.9 six months ago. Three-month interbank 14 1/2 per cent (14 1/2 per cent six months ago). Annual inflation 13.1 per cent (13.1 per cent previous month).

Other currencies including the Japanese yen, the Italian lira, and the Swiss franc. The yen remained steady, while the lira and franc showed some volatility.

Exchange cross rates table showing rates for various currencies including the pound sterling, Deutsche mark, Japanese yen, and others.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 24) table showing 3 months and 6 months U.S. dollars rates.

EURO-CURRENCY INTEREST RATES (Market closing rates) table showing rates for various currencies and terms.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists rates for various currencies like U.S., Canada, Belgium, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Lists rates for various currencies like U.K., Canada, Belgium, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies like Sterling, Deutsche mark, Japanese yen, etc.

CURRENCY RATES

Table showing currency rates for various currencies like Sterling, Deutsche mark, Japanese yen, etc.

OTHER CURRENCIES

Table showing rates for other currencies like Argentine peso, Australian dollar, etc.

MONEY MARKETS

Text discussing money markets, including bank cuts dealing rates and Eurodollars firmer.

Bank cuts dealing rates

UK clearing bank base lending rate 11 per cent (since August 17 and 18). The Bank of England cut 1 per cent from its bill dealing rates.

In the afternoon the Bank of England bought another £34m bank bills, made up of £1m bank bills in band 1 at 10 1/2 per cent.

In the interbank market overnight loans opened at 11 1/2 per cent, and touched a peak of 11 3/4 per cent.

Following the cut in official dealing rates the discount houses buying rates for three-month Treasury bills fell to 10 per cent.

Eurodollar interest rates continued to slip yesterday, leading to a slight rise in most buying rates.

Eurodollars firmer. Eurodollar interest rates continued to slip yesterday, leading to a slight rise in most buying rates.

London 3-month interbank rate chart showing fluctuations over time.

London 3-month interbank rate chart showing fluctuations over time.

LONDON MONEY RATES

Table showing London money rates for various terms like overnight, 7 days, 14 days, etc.

MONEY RATES

Table showing money rates for New York, Germany, and France.

EUROCURRENCIES

Table showing Eurocurrency rates for various currencies and terms.

EURODOLLARS

Table showing Eurodollar rates for various currencies and terms.

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Table showing Eurodollar rates for various currencies and terms.

FT UNIT TRUST INFORMATION SERVICE. AUTHORISED TRUSTS. Lists various unit trusts and their details.

هكزان الكحل

INSURANCES

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., ABEV Life Assurance Ltd., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing insurance and overseas managed funds, including Life Assur. Co. of Pennsylvania, Norwich Union Insurance Group, and Standard Life Assurance Company.

Table listing various overseas managed funds and investment services, including Granite Management Limited, Guinness Mahon Int. Fund (Guaranty), and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment funds, including Fidelity International, F&C Asset Ltd. Inv. Advisors, and others.

NOTES
Price are in pence unless otherwise indicated and UK investors should allow for the effects of the 10% surcharge on foreign investments.

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Table listing various food and grocery items with their respective prices and market movements.

HOTELS AND CATERERS

Table listing hotels and caterers with their stock prices and market movements.

INDUSTRIALS (Misc.)

Table listing various industrial companies with their stock prices and market movements.

ELECTRICALS—Continued.

Table listing electrical companies with their stock prices and market movements.

ENGINEERING MACHINE TOOLS

Table listing engineering and machine tool companies with their stock prices and market movements.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with their stock prices and market movements.

DRAPERY AND STORES

Table listing drapery and store companies with their stock prices and market movements.

BANKS & H.P.—Cont.

Table listing banks and hire purchase companies with their stock prices and market movements.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with their stock prices and market movements.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building industry, timber, and road companies with their stock prices and market movements.

ELECTRICALS

Table listing electrical companies with their stock prices and market movements.

AMERICANS

Table listing American companies with their stock prices and market movements.

CANADIANS

Table listing Canadian companies with their stock prices and market movements.

LOANS—Continued

Table listing loan companies with their stock prices and market movements.

FINANCIAL

Table listing financial companies with their stock prices and market movements.

BRITISH FUNDS

Table listing British funds with their stock prices and market movements.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail companies with their stock prices and market movements.

AMERICANS

Table listing American companies with their stock prices and market movements.

OVER FIFTEEN YEARS

Table listing companies with over fifteen years of experience with their stock prices and market movements.

UNDATED

Table listing undated companies with their stock prices and market movements.

INDEX-LINKED & VARIABLE RATE

Table listing index-linked and variable rate companies with their stock prices and market movements.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues with their stock prices and market movements.

CORPORATION LOANS

Table listing corporation loans with their stock prices and market movements.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans with their stock prices and market movements.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies with their stock prices and market movements.

LOANS

Table listing loan companies with their stock prices and market movements.

PEOPLE That's BTR advertisement.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table listing "Shorts" funds with their stock prices and market movements.

Five to Fifteen Years

Table listing funds with five to fifteen years of experience with their stock prices and market movements.

Over Fifteen Years

Table listing funds with over fifteen years of experience with their stock prices and market movements.

UNDATED

Table listing undated funds with their stock prices and market movements.

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Advertisement for Financial Times newspaper, featuring the text 'Now read the FT at your leisure' and 'You don't have to worry about what is happening in the world when you are on holiday as the Financial Times is on sale in holiday resorts throughout Europe.' It includes a logo for 'FINANCIAL TIMES' and 'EUROPE'S BUSINESS NEWSPAPER'.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with their stock prices and market movements.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other companies with their stock prices and market movements.

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MINES—Continued

Table with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Falcon Resources, Zambian Resources.

Australian

Table listing Australian mining stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like ACM 20c, Argon Gold NL 25c.

Tins

Table listing tin stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Anai Nigeria Ltd, Ayer Hill 50c.

Miscellaneous

Table listing miscellaneous stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Anglo-Dominion, Anglo-Siam.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in 25c. Estimated price/earnings ratios and cover ratios are based on latest reported figures. P/E ratios are calculated on 'net' distribution basis...

REGIONAL AND IRISH STOCKS

Table listing regional and Irish stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Albany Inv. 20c, Anglo-Siam.

OPTIONS

Table listing options with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like House of Fraser, B.S.R.

OIL AND GAS—Continued

Table listing oil and gas stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Argyll Oil 10c, Borealis.

OVERSEAS TRADERS

Table listing overseas traders with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like African Lakes, Anglo-Siam.

PLANTATIONS

Table listing plantation stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Rubber, Palm Oil.

TEAS

Table listing tea stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Assam Frontiers, Assam Tea.

MINES

Central Rand

Table listing Central Rand mining stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

Eastern Rand

Table listing Eastern Rand mining stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

Far West Rand

Table listing Far West Rand mining stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

O.F.S.

Table listing O.F.S. stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

FINANCE

Table listing finance stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

DIAMOND AND PLATINUM

Table listing diamond and platinum stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

INVESTMENT TRUSTS—Cont.

Table listing investment trusts with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Anglo-Siam, Anglo-Siam.

SHIPPING

Table listing shipping stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

SHOES AND LEATHER

Table listing shoes and leather stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

SOUTH AFRICANS

Table listing South African stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

TEXTILES

Table listing textile stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

TOBACCOS

Table listing tobacco stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

PROPERTY—Continued

Table listing property stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Anglo-Siam, Anglo-Siam.

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LEISURE—Continued

Table listing leisure stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Anglo-Siam, Anglo-Siam.

MOTORS, AIRCRAFT TRADES

Table listing motors and aircraft trades stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

Motors and Cycles

Table listing motors and cycles stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

Commercial Vehicles

Table listing commercial vehicles stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

Components

Table listing components stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

Garages and Distributors

Table listing garages and distributors stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

NEWSPAPERS, PUBLISHERS

Table listing newspapers and publishers stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

PAPER, PRINTING

Table listing paper and printing stocks with columns: High, Low, Stock, Price, Div, Yld, P/E.

PROPERTY

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INDUSTRIALS—Continued

Table listing industrial stocks with columns: High, Low, Stock, Price, Div, Yld, P/E. Includes entries like Anglo-Siam, Anglo-Siam.

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U.S. may act on gas pipe defiance

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REAGAN Administration met yesterday to decide the next move in its confrontation with France over U.S. sanctions on the Siberian gas pipeline. Senior cabinet members held urgent talks in Washington as the French subsidiary of the Dallas-based Dresser Industries announced it would obey French Government instructions to load three compressors for the pipeline onto a Soviet freighter in Le Havre today in defiance of an American directive forbidding any type of U.S. involvement in the project.

again yesterday, according to union leaders at the Dresser plant near Le Havre. The work had stopped in June, in compliance with U.S. rules applied originally in response to the clampdown in Poland at the end of last year. The French state shipping line, Compagnie Generale Maritime said its vessel the "Borodine" was due to sail for Riga, Latvia, tomorrow with three of the compressors, each weighing 60 tonnes.

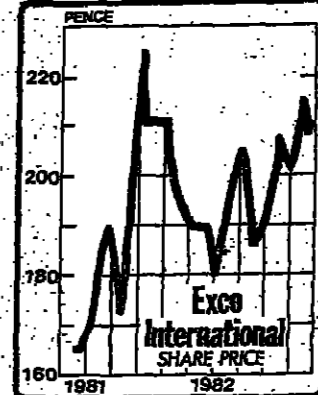
Industries of the U.S. and the state-controlled Alstom-Atlantique, whose turbine activity is dependent largely on the skills of General Electric of the U.S. Creusot-Loire is to send the first of its own consignments next year, while Alstom's supplies of spare "rotor-kits" for turbines are scheduled to begin in October, 1983.

Engineering. The board met yesterday at the Clydebank works outside Glasgow where 21 turbines for the Soviet pipeline are under construction. Earlier this month, the UK Government enacted part of the Protection of Trading Interests Act and prohibited companies from complying with the U.S. embargo.

Lasmo fills up its tanks

THE LEX COLUMN

Index fell 5.5 to 571.0



Lasmo's £22m net profits for the first half-year to June, down £1.2m on the same period last year, are mainly of historic interest. The summer spending spree has added substantially to its North Sea oil interests and taken it into Indonesian production. After an extensive search for new assets, the company now has plenty to chew on for the next two or three years.

million brokerage has contributed to a lower dividend charge. So the increase in attributable earnings has easily matched the 50 per cent rise in average share capital. The second half will produce a much higher contribution from the Unilever associate, as the costs of expanding the money broking operation in New York run off and the impact of lower dollar interest rates is reflected in financing charges.

IBH Holding pulls out of Harvester machinery talks

BY RICHARD LAMBERT IN NEW YORK

IBH HOLDING, the fast-expanding West German construction equipment group, has ended discussions on the acquisition of International Harvester's construction machinery business. Until yesterday's announcement, it had been thought that a deal would be signed in Chicago this morning.

August car sales likely to top 250,000 record

BY JOHN GRIFFITHS

AUGUST CAR sales are expected today to set a record by passing the 250,000 mark, with nearly a week of trading still to go. In spite of the decision by BL to halt output of the Metro and Mini for two extra weeks next month, rival manufacturers discount suggestions that a slump is developing in the small car market.

BL's total share so far in August stands at 16.8 per cent, but the company said yesterday that it expected to reach 18 per cent by the end of the month. Its continuing target short-fall appears to stem more from the fall in demand for older models in the medium sector on which it has to rely until its new LM range starts to appear next year.

De Beers halves interim

By Kenneth Marston, Mining Editor

MR HARRY OPPENHEIMER'S South African diamond concern, De Beers Consolidated Mines, is cutting its 1982 interim dividend by half to 13¢ (8.5p). This follows the reduction in the final dividend for 1981—the first cut in 37 years—which surprised the stock market in February.

TUC to co-operate on voluntary training

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

THE TUC is about to reverse its policy of refusing to operate with voluntary training arrangements set up by industry after the Government abolished 16 statutory training boards.

Jobless

number of graduates joining the unemployment register in July and August will total 25,000 more than in the same period last year. This could indicate the start of a sharply worsening trend in graduate unemployment at a time when industry's optimism is at a low level.

Weather

Table with weather forecasts for UK TODAY and WORLDWIDE, listing locations and conditions.

Prestel Continued from Page 1

would be connected by telephone line to a central computer. This would carry out instructions from subscribers and provide them with information about their bank accounts.

Continued from Page 1

Although unemployment has been rising throughout the developed world, the UK has a higher proportion of the workforce on the dole than most other developed countries. On national definitions the UK's 12.3 per cent in July compared with Belgium 17.2 per cent; West Germany 7.5 per cent; France 10.8 per cent; Japan 2.4 per cent and 9.8 per cent in the U.S.

Advertisement for Kings' Cross office buildings, featuring a large image of the building and text: 'Superb new self-contained office building', '43,500 square feet', 'LOWEST ANTICIPATED GENERAL RATES IN CENTRAL LONDON APPROX. £6.90 sq.ft. p.a.', 'Lifts', 'Air-conditioning', 'Completion January 1983', '16 Suffolk Street London SW1Y 4HQ 01-930 9731 DRIVERS JONAS Chartered Surveyors'